# **Top Secret**





# The Vietnam Situation: An Analysis and Estimate

USAID review completed

**NGA** Review Completed

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I

The Military Situation in South Vietnam

# THE MILITARY SITUATION IN SOUTH VIETNAM

#### Summary

The course of the war over the past two years has been marked by Communist efforts to offset the impact of the allied military build-up and the allies' military successes which have accompanied that build-up. Since early 1966, the allies have gained the initiative, carrying the war to enemy base areas, frustrating his offensive plans, and breaking his grip on the populace in portions of the central coastal provinces.

Although we now possess substantial advantages in tactical mobility and awesome firepower, the enemy has more than kept pace with our buildup in terms of infantry units, and has managed also to improve his fire support capability. Communist losses in the first quarter of this year have risen 70 percent above the monthly averages for last year. US losses have increased by over 90 percent, however, and GVN losses, which had declined during 1966, are now rising markedly. Moreover, the enemy has demonstrated the capability to replace his enormous losses, although probably at some cost in quality. Despite growing attrition from our attacks on his depots and lines of communication, an improvement in the enemy's logistical posture is reflected in the growing rate of ammunition expenditures. The expansion of the enemy's positional warfare threat in northern I Corps has forced major allied redeployments in the face of apparently reinforced enemy capabilities in the highlands and III Corps. On balance, the enemy's strategic posture in the main force war appears to have improved somewhat during the past year despite the allied build-up.

On the other hand, the Viet Cong's position in the countryside has been eroded in many areas.

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The upgrading of guerrilla elements undertaken to accelerate the expansion of his main force capabilities has weakened the enemy's grip on the rural populace. Allied military pressure in some areas disrupted the enemy's organization, and the attendant lowering of Viet Cong morale has been reflected in increased Chieu To check this deterioration, the Hoi rates. enemy evidently has altered his strategy to achieve a better mix of his conventional and guerrilla activities. Since the first of the year, he has mounted an intensive guerrilla campaign against the pacification program, inflicting serious losses on RD cadre, and has attacked a large number of population and administrative centers as well as major allied military installations. This campaign is designed not only to check the momentum of the pacification effort, but also to divert some of our conventional forces to protect our rearareas, thus enabling the enemy's reinforced main force units to cope more readily with our reduced offensive potential. The enemy's thrust in northern I Corps is designed to contribute to this thinning out of our mobile forces.

Current enemy plans and intentions, as demonstrated in prisoner interrogations, captured documents, and patterns of activity, apparently involve an intensive, grinding positional warfare campaign in the northern provinces, where ready access to logistical supplies, replacements, and substantial artillery and antiaircraft support enhance his capabilities. Over the next two months, this activity is to be supplemented by coordinated offensive thrusts in the central coastal provinces and the western highlands, combined with major actions in the III Corps area. These actions are to be supported by intensive guerrilla action elsewhere to tie down as many allied forces as possible. Although the enemy hopes to overrun a number of allied field positions, his principal aim is to inflict maximum attrition on our

forces at whatever cost to his own, and to check the momentum of the pacification effort. Hanoi thus is seeking to shake our confidence in ultimate military success by demonstrating that our build-up to date has not decisively altered the balance.

In the final analysis, the current campaign constitutes a crucial test of our ability to prevent a stalemate and maintain the momentum of our recent successes. The enemy's military capabilities are such that he seems likely to achieve some of his objectives, although the allies almost certainly will be able to blunt his anticipated offensives, inflict heavy losses, and prevent decisive erosion in most pacified areas during the next few months. The situation thereafter will largely depend, as it has in the past, on the question of the will to persist of either side rather than on the attainment of an overwhelming military victory.

# The Setting

The course of the war in South Vietnam over the past two years has been marked by Communist efforts to offset the impact of the allied military build-up and the allied military successes that have accompanied this build-up. US intervention in 1965 staved off the imminent collapse of the Vietnamese armed forces (RVNAF) and deprived the Communists of certain victory as clearly as did our intention in Korea 15 years before. The allied build-up was initially more rapid and effective than the enemy's response, and by the end of 1965 the enemy's offensive campaign had been contained. Allied forces moved to the offensive in 1966, carrying the war to the enemy's base areas and driving his main forces from the populated plains in the coastal provinces. The Communist position deteriorated throughout 1966 as its leaders sought for the means to regain a favorable balance. the beginning of 1967, however, the enemy seemed to have settled on a strategic course which he hoped would reduce the advantages gained by the allies and might produce at least a stalemate. Since January, the Communists have mounted a campaign of intensive military action which threatens to stall progress in pacification and has forced major redeployments of allied ground forces. Military actions in the months ahead will show whether the enemy has successfully found means to absorb the introduction of over a half-million US and free world forces or whether the military situation will continue to go against him.

# Build-Up Factors

2. In terms of infantry units, the enemy's build-up has kept pace with that of the allies. The number of identified Communist infantry battalions has increased 2.5 times, rising from 61 at the end of 1964 to 154 at the present time (May 1967). Allied infantry battalions have increased from 123 to 255, or by a factor of about 2.1. The ratio of enemy to friendly infantry battalions has grown from the level of 1 to 2.16 to

about 1 to 1.65.\* Because of the relatively larger size of US and free world battalions, however, the ratio of strength in maneuver battalions has remained approximately the same--about 1 to 1.

- With respect to combat support, the enemy has not been able to match the allied build-up quantitatively, yet his position again shows some relative improvement. Since the end of 1964, he has introduced larger quantities of recoilless rifles and mortars, including the 120-mm. type which he previously lacked, as well as artillery, of which he previously had only a handful, and artillery rockets, a recent addition to his ar-These weapons have multiplied the firepower of his units and increased the range at which he can strike at sensitive targets. weapons have also multiplied the number of attacks which he can mount simultaneously. The Communists have also shown the ability to provide increasingly effective support in a number of areas. Allied forces, however, are able to concentrate overwhelming firepower in support of selected operations. For example, allied tactical air sorties have increased by a factor of ten since 1964, and, although not directly measurable, air strikes have had an impact on Communist forces -- a fact amply borne out by captured documents and POWs.
- Firm data on the enemy's logistical posture are lacking. We have little knowledge of the size of the stocks on hand in the south, and no precise information on the types and quantities of supplies being delivered by land and sea. We have noted substantially increased expenditures of ammunition of all types -- particularly mortars and recoilless rifles -- in all sectors, and a more plentiful supply of heavy weapons, including new types. These have occurred despite an intensive sea blockade, the overrunning of substantial arms and ammunition caches, and apparently effective air attacks on some depot areas. The continuing troop reinforcement from the north implies confidence in the ability to provide adequate logistical

<sup>\*</sup>The ratio may actually be less favorable if the enemy has introduced units not yet reflected in MACV's order of battle.

support. We estimate that current interdiction means are incapable of reducing the capacity of overland lines of communication below the current requirements of forces that the enemy now has in the south, or even a slightly larger force level. Moreover, we are not confident that the blockade is effectively interdicting the movement of supplies by sea, despite several instances of intercepted shipments. The intensity and persistence of enemy operations suggest that, although our operations may temporarily disrupt his logistical system locally, it is generally adequate to support actions on a scale and tempo at least as great as any mounted in the past.

- 5. Communist losses have increased dramatically during the past two years, but have not prevented the Communists from increasing their forces. In the first quarter of 1967 almost 24,000 Communists were reported as killed, and this is 70 percent greater than their average loss rate for 1966. Losses of this magnitude substantially exceed the Communists' estimated recruitment capability in South Vietnam (some 7,000 men per month), and the difference is made up by infiltration from the North. It is rather meaningless to attempt to assign a monthly infiltration average because in fact the numbers vary tremendously month to month (e.g., 16,700 men in March 1965 to 600 in April 1965). What is important is that the Vietnamese Communists have the capability to replace manpower losses at a rate higher than the present loss rate being inflicted on them, although probably at some cost in their overall quality.
- 6. US losses increased by some 90 percent in the first quarter of 1967 over the 1966 average, and RVNAF losses, which had declined during the first half of last year, have since risen toward the previous high levels of 1965. Hence, fluctuations in our losses roughly parallel those of the Communists, although not always in a direct ratio. Any significant and sustained increase in the losses inflicted on the Communist forces would most likely be accompanied by a similar increase in US losses as well.

The enemy's morale has obviously suffered considerably over the past two years: the deterioration has been particularly noticeable at the lower levels. It is difficult, however, to measure Communist morale precisely. The only statistical measure available is the Chieu Hoi rate, which has risen appreciably since mid-1966. This rise has generally occurred in areas where allied operations have had a direct impact on local Viet Cong guerrilla and self-defense forces, whose personnel make up the bulk of the returnees. Although not insignificant in the near term, the immediate military effect of such losses may not be critical. Over the longer term, however, such losses not only deprive the Communists of manpower but, more important, strike at the heart of the Communists' strength -- their political and rice-roots infrastructure. While documents and prisoners reflect confusion, loss of confidence, and discouragement even among Communist political and military cadres, these attitudes have not noticeably altered the combat effectiveness of main force units, which continue to mount near-suicidal attacks when called upon. are unable to predict when morale might become a decisive issue in the Communists' strategy concerning the war. We suspect, however, that it it not likely to become so in the near term unless the war takes a decidedly more adverse turn for the Communists.

# Impact on the Operational Situation

The evolution of the situation since the introduction of US and free world forces has varied in each Corps area. In some, the allied position has improved markedly, while in others there has been no appreciable change. Nonetheless, since the introduction of US troops the overall military initiative has largely shifted to the allied side, and in the process the Communists have suffered a heavy number of casualties with precious few victories for their side. may take solace in the fact that they have inflicted increased casualties on the US, but they have paid a heavy price in doing so. Recent developments, however, suggest that their strategic posture -- after ebbing throughout 1966 -- may have improved slightly, although it certainly is not yet as favorable as during late 1964 and early 1965.

- In I Corps, the deployment of US Marines initially altered the balance in the allied favor. Enclaves were established around major bases, and intensive pacification operations were begun. Viet Cong soon vigorously began to contest these efforts, and in mid-1966 began to develop a conventional threat in the DMZ area and the northernmost provinces. Although initially rebuffed with heavy losses to his forces, the enemy has persisted in his build-up in the North, and the growing threat in that sector has necessitated the deployment of US reinforcements from other sectors. At least four, and possibly five, enemy divisions, enjoying artillery and air defense support from the DMZ and North Vietnam, are in this area. Two other divisions threaten the southern portion of I Corps. The enemy's military position in I Corps with its proximity to his logistical base in North Vietnam, is significantly more favorable than it was two years ago, when he had very few forces in the area.
- In II Corps, the deployment of Korean and US forces to the coastal provinces resulted in a series of offensives which broke the recently acquired grip of the enemy on the densely populated plain, and his main force units have been driven back into the foothills. Despite heavy losses, the enemy forces remain intact, however, with one division lurking in the boundary area between I and II Corps, and another division in the Phu Yen-Khanh Hoa-eastern Darlac province area. In the highlands, US forces have generally parried the thrusts of sizeable enemy forces in Kontum and western Pleiku provinces, but have been unable to neutralize their sanctuary along the Cambodian border. At least five enemy regiments there -- possibly about to be reinforced from the north -- appear to be preparing for new offensive action. The movement of two US brigades from II Corps to reinforce I Corps will reduce our ability to contain this threat.
- 11. In III Corps, there has been a net improvement in the allied position over the past two years. Although the enemy has built up to a strength of three divisions, and has enhanced his ability to recuperate from heavy losses, the presence of more than three US divisions in the area

inhibits the significance of this enemy threat. Allied forces have been able to mount major thrusts into key enemy base areas, disrupting command and logistical functions, and keeping the enemy's main forces off balance. At the same time, significant gains have been made in bringing populated areas under government control. The loss of one US brigade to I Corps has not significantly altered the favorable force ratio. Although the Communist forces may mount significant sections on their own, or in reaction to friendly operations, these can be contained, albeit with heavy fighting.

- 12. In the Delta, the situation remains essentially unchanged. Pacification has progressed in some areas, but Communist bases remain essentially intact and the force balance is roughly the same as it was two years ago. The deployment of one US brigade to Dinh Tuong Province has not yet had significant impact on the situation there. Elsewhere, the Communists have intensified their military activities over the past six months, and particularly since the first of the year, in an effort to stall pacification progress. The combat effectiveness of Communist forces in the Delta decreased during 1965 and 1966, but government forces were unable to exploit this effectively.
- With respect to pacification, the greatest progress has been made in areas where US and free world troops have been deployed -- i.e., in the Marine and ROK enclaves along the coast, and in the vicinity of Saigon in III Corps. Nationally, the population under GVN control has increased by 13 percent since the end of 1964, while the population under Viet Cong control has decreased by eight per-This gain was made during the period when the enemy was attempting to adjust, both psychologically and physically, to the introduction of free world forces. His reaction thus far has varied in different regions; in I Corps and III Corps, he soon began to contest hotly the security forces in the pacified areas, while in the coastal provinces of II Corps he has seemed to withdraw. The reasons for this are not clear; nevertheless, since the first of the year the enemy has mounted a major

counteroffensive against the pacification program in all parts of the country, inflicting heavy losses on the RD teams, and repeatedly demonstrating his capability to strike at province and district capitals. While it is too early to gauge the results of his campaign, he has clearly demonstrated that current security arrangements for pacified areas are not adequate in most parts of the country.

# Enemy Strategy, Plans and Capabilities

- The strategy adopted by the enemy in the latter part of 1964 was to accelerate the development of conventional military forces in the south in order to mount operations which would cause the collapse of the Vietnamese armed forces. Captured documents reveal that this strategy was endorsed in 1965, and again in early 1966, despite the introduction of US and free world forces. The enemy's plan entailed the commitment of North Vietnamese army forces in order to achieve the necessary force equilibrium. The scope of this commitment has increased progressively to counter the allied build-up. As a further means of accelerating the build-up, the command in the south in mid-1965 directed the upgrading of up to one-half of its local guerrilla elements. This "extraordinary" step was justified on the basis of its short-term contribution to a potential early victory. In the absence of such a victory, however, it weakened the Communists' control in rural areas and reduced their ability to counter the pacification effort; they have not yet recovered from this short-sighted action.
- 15. As the situation evolved favorably for the allies during 1966, the enemy's confidence in his strategy was shaken. The subject was debated at length during the last half of 1966 in party and military journals in the north, with one faction calling for more emphasis on guerrilla warfare, and another pressing for a further build-up of conventional military forces. Captured documents in the south, dating from the latter part of 1966, reflected an awareness of deteriorating conditions (despite exaggerated claims of allied losses), which provided fuel for the debate. By the first of this year, however, the debate apparently was resolved in favor of developing

a more balanced mix of guerrilla and conventional capabilities. Thus, we have seen an apparent reinforcement of guerrilla capabilities by local force, and, in some cases, main force units. We have also seen an apparent reinforcement of main force capabilities in the form of continued infiltration from the north, particularly in the DMZ area.

- By reinforcing his querrilla potential, the enemy has been able to intensify attacks on pacified areas, population and administrative centers, and allied base installations. The purpose of this activity is to divert some of our main force units from offensive operations to the protection of rear areas. By maintaining -- and reinforcing -his main force potential, his conventional units will then be in a better position to cope with our reduced offensive potential. This advantage is further enhanced by the creation of a new conventional threat in the northern part of I Corps, which was calculated to draw off some of our mobile forces from other regions. While his hopes for an early victory have disappeared, the enemy apparently believes that his modified strategy will at least produce a stalemate, enable him to check pacification and frustrate our offensive plans, and impose an ultimately unacceptable level of attrition on our forces.
- In evolving its strategy, Hanoi has rationalized it within the context of the dogma which led to its victory over the French. Indeed, the nature of the plans for the current spring-summer campaign bear the earmarks of General Giap's 1953-54 campaign against the French. From Hanoi's point of view, the circumstances of 1966-67 bear a striking similarity to those of the earlier period. General Navarre had brought a new offensive spirit to the French Expeditionary Corps. He relegated ARVN to the task of pacification, using ARVN units to replace those of the Expeditionary Corps in static missions, and grouping the latter to form an unprecedentedly large general reserve whose mission was to engage the Viet Minh's main battle force. Navarre used his mobile force in a number of dramatic raids into Viet Minh base areas -- including

the seizure of Dien Bien Phu -- and creating an atmosphere of confidence in ultimate French success. He also planned -- and launched -- a major offensive in the south designed to roll up the Viet Minh and pacify Phu Yen and Binh Dinh provinces. But Giap countered with a series of thrusts which caused the French to deploy most of their general reserve to protect previously unthreatened areas, so that the French were left with inadequate reserves to deal with the main Viet Minh effort when it developed at Dien Bien Phu. All of these main force operations were accompanied by intensified guerrilla warfare throughout the country aimed at immobilizing the maximum number of French-Vietnamese troops to protect pacified areas and bases. This strategy succeeded before, and Hanoi apparently believes that it will again.

Captured documents, recent prisoner interrogations, and other indications point to the similarity in current enemy plans. In the initial phase -- now under way -- the plan apparently is to draw additional allied forces to the DMZ area, where by waging positional warfare with their backs to their logistical base in the north, the Communists hope to inflict maximum sustained attrition on our forces at minimum (albeit heavy) cost to themselves. Later in the campaign -- June or July -- other forces farther south are supposed to mount operations in the coastal plain, exploiting whatever opportunities exist, but still with the aim of inflicting losses on our main forces rather than of seizing specific terrain objectives. This phase may be preceded or accompanied by major attacks in Quang Ngai and Quang Tin provinces, and by large-scale operations in Kontum and Pleiku provinces, combined with lesser actions in Phu Yen, Darlac and Khanh Hoa provinces. Depending on the status of US operations in III Corps, major engagements are also planned in that region. Throughout the country, enemy provincial, district, and village units are to attempt to maintain a relatively high degree of pressure by attacking outposts, RD teams, and village, district and provincial administrative centers, while sapper units attack key base installations.

The Communists would hope to overrun some allied field positions, but they might consider the campaign a success if it produced record allied casualties and if one or more of the engagements could be depicted as a "victory" in terms of annihilating a battalion here, or causing us to abandon a strongpoint there, whatever the cost to them. If, at the same time, they could demonstrably check our pacification progress in some areas, they might gain the psychological boost necessary to overcome the discouragement which afflicted them toward the end of 1966. In their eyes, they would have demonstrated the "correctness" of their doctrine, and their ability to cope with our forces despite our technological superiorities. They would also have shaken the confidence of the Vietnamese populace in an allied victory. At the end of the campaign in July, they might then feel able to match any further reinforcement of our effort and would be disposed to follow their strategy for at least another campaign.

But should they fail to achieve their aims and continue to suffer one defeat after another on the battlefield, they might feel themselves faced with a very bleak picture of their prospects. This would be particularly true if in the process some of their major units were effectively destroyed. In effect, the Communists have not had any appreciable successes for over a year, and if this trend persists despite their increased efforts to cope with the situation, we could see the beginning of disintegration among the Communist forces. They are paying a heavy price to continue the war, and they, too, probably get war weary. A strategy which continually postpones the prospect of success and offers nothing visible to sustain the hope of even ultimate success might be palatable for a time, but eventually its appeal, particularly in the South, might begin to wear thin. Under these circumstances, especially if progress is made in the pacification program and in political development in Saigon, the erosion of mass support for the Communists would mount, perhaps to critical proportions. Once such a process began it would be hard to arrest, and ultimately it would be as critical to Communist success as the more headlinegrabbing main force military battles.

Thus, the current campaign will provide a crucial test of our ability to prevent a military stalemate and maintain the momentum of our successes in 1966. We are unable to estimate with any degree of confidence how the military situation will develop during this period. Nonetheless, at this stage the odds seem about even that the Communists will achieve some of their minimum objectives, although certainly at a heavy cost to their own forces. The enemy's capabilities are such that his chances of an occasional -- if isolated -- tactical success must be considered good. But we would expect that the allied military forces will largely contain the anticipated enemy offensives and prevent any substantial erosion of the pacification effort in the months ahead. the final analysis, the situation appears likely to hinge, as it has in the past, more on the question of Communist versus allied will to persist than on a clear-cut and overwhelming military success by either side.

II

II

The Enemy Forces in the South

# THE ENEMY FORCES IN THE SOUTH

### Summary

Despite increasingly effective "search and destroy" operations by the allies, the Vietnamese Communists have continued to expand their Main Forces, both by infiltration and by local recruitment. Part of the expansion has been at the expense of lower-level Viet Cong military formations and of the so-called Viet Cong "political infrastructure." In spite of the drain, however, the Viet Cong paramilitary and political structure is still large -- probably considerably larger, in fact, than carried in the official US Order of Battle.

Despite intensive efforts by COMUSMACV and US intelligence agencies, we have been unable as yet to compute the full strength of the Viet Cong paramilitary, combat support, and political elements with any real precision. The evidence on the numbers of such personnel, and on their exact duties in relation to Communist military operations, has been extremely scanty until the very recent period. Captured enemy documents and prisoner interrogations are now indicating that the strength in all these categories is almost certainly much higher than it had appeared to be in the past. In most cases, however, the evidence is still insufficient to indicate more than a broad range for strength in these categories.

In the case of the irregular forces, for example, the latest US order of battle holdings list their strength at 113,000.\* Studies by COMUSMACV, however, indicate that irregular strength is more likely in the neighborhood of 190-200,000, although a final judgment has not yet been made. The strength of the so-called "administrative service"

<sup>\*</sup>MACV J-2 Monthly Order of Battle Summary as of 15 May 1967.

forces (staffs and non-combat support troops) are now listed in the OB at 25,000, but may be several times higher -- possibly in the neighborhood of 75,000-100,000. The number of Viet Cong political personnel, listed at 39,000 in the OB, may be well over twice as high. Part of the difficulty in estimating the strength of the above categories is that we are not sure to what degree political cadre, for example, can be clearly delineated from irregulars in counting for OB purposes.

In any event, it appears that strength of the insurgent apparatus in South Vietnam, instead of totalling 292,000 as listed in the 15 May 1967 OB, may actually be in the half-million range. If the Communists have an organized manpower base of anywhere near this size to draw upon for their combat units it is hard to visualize how they can get into serious trouble in the flear future in obtaining the necessary replacement personnel, particularly when their capacity for recruitment in South Vietnam outside their organized apparatus is considered and when infiltration from the North is added. Current estimates place these latter inputs at a maximum of about 14,00 per month. Current losses may be mounting close to this figure, but are probably not above it.

While it appears that the Communists can continue to sustain their overall strength during the coming year, it us unlikely at current loss rates that they can add much to it, except in northern South Vietnam where the availability of manpower from the North provides a seemingly plentiful supply. If, on the other hand, the Communists check the erosion of their manpower base and possibly even make inroads into allied-controlled areas as a result of military developments this year they may succeed in significantly expanding their overall force.

#### Main and Local Forces\*

- 1. The Viet Cong NVA Main and Local Forces have expanded considerably since early last year. In January 1966, the MACV Order of Battle listed 85,000 in these categories. As of mid-May this year the OB figures had increased 36 percent, to over 115,000.
- The VC/NVA who comprise the Main and Local Forces are, for the most part, serving in 196 battalion formations, of which 102 battalions are clearly North Vietnamese Army units. One hundred and eight of the total 196 battalions are subordinate to 36 regimental formations --24 NVA and 12 Viet Cong -- which in turn are subordinate to the seven accepted NVA divisions and two Viet Cong divisions. The units above include those in the DMZ area which have been accepted into the Order of Battle. case, they are either operating in South Viet-.nam or in an adjacent area following operations in the South. In addition to the above units, there are 207 separate companies and 69 platoons listed in the OB, all of which are Viet Cong units.

# DISTRIBUTION OF VC/NVA COMBAT FORCES (SVN)

		Strength	Division	Regiments	Battalion	Sep Co (VC)	Sep Pla- toon (VC)
I	CTZ	31,780 (21,340)	4 (4)	11 (43)	61	42	
II	CTZ	33,045 (22,650)	2 (2)	10 (10)	57 (44)	56	31
III	CTZ	31,652 (8,590)	3 (1)	13 (5)	56 (15)	38	27
IV	CTZ	19,240		2	22	71	11

<sup>\*</sup>Main Force troops are those subordinate to the Central Office of South Vietnam (COSVN) or to one of the Viet Cong's military regions, or to command elements in the North. Local Force troops are subordinate to Viet Cong provinces and districts.

- 3. It is likely that the mid-May 1967 (OB) figure of 115,000 men in the Main and Local Forces is somewhat lower than the actual Communist force in the field. This is due primarily to the inherent time lag, often up to six months, in obtaining current information on newly arrived or recently created units. A secondary reason is the strict acceptance criteria which demand highly credible evidence before a unit is accepted into the order of battle.
- Another factor influencing our belief that OB is somewhat low at this particular point in time is the status of North Vietnamse infiltration to South Vietnam. During the first four months of this year we were observing all of the intelligence indicators which, from past experience, suggested that a new round of large scale infiltration into South Vietnam was taking place. Within the past two weeks MACV accepted another North Vietnamese division, the 325th, raising the figure from about 110,000 to its current level of 115,000 men. There is a significant amount of other information -- from captured documents and prisoners -- suggesting that still additional units had arrived in South Vietnam before mid-May. For example, documents captured by MACV on 12 and 13 May indicate that the 9th NVA Regiment from the 304th NVA Division arrived in South Vietnam in early March and participated in an attack south of Quang Tri City on 6-7 April. To date, however, the information available on this unit is not sufficient to warrant its inclusion in the OB.

#### Administrative Service Units\*

5. It is currently recognized within the intelligence community that the number of administrative service troops -- listed at about 25,000 in MACV's April 1967 OB -- is probably substantially

<sup>\*</sup>Administrative Service Units are composed of military personnel in COSVN, military region, military subregion, province, and district staffs and rear service technical units of all types directly subordinate to these headquarters.

below their real strength, perhaps by as much as 50-75,000 men. Information on such personnel was relatively scarce until US military operations began to result in large numbers of prisoners and captured documents.

- This has allowed us to begin to fill in some of the gaps in this category. Others still exist, however. For example, although the administrative service designation encompasses all VC province and district staffs, the OB lists fewer than a dozen provincial staffs and no district staffs, partly because precise information is still unavailable on many such units. We know, however, that the Viet Cong have a total of 36 provinces broken down into over 200 districts. Since there are almost certainly administrative service staffs in the large majority of these districts, their inclusion would raise this category substantially. In sixteen provinces we have no detailed information at all on Communist administrative service troops, although it seems certain that some of them are present in each province.
- 7. There are, moreover, other non-combat military personnel such as the medical personnel subordinate to national, regional, provincial and district headquarters, smaller signal units, and personnel working in Viet Cong base areas who are not yet picked up in any OB category. Such personnel include those performing ordnance and quartermaster functions, repair and maintenance personnel, and troops engaged in running such facilities as recruit depots, training centers and POW camps. These individuals, as more information becomes available, will be included under the administrative service category.
- 8. MACV is now reviewing its estimate of administrative service personnel and attempting to include at least some of the additional elements. It is believed that the MACV estimate of enemy strength in this category will be substantially raised, but that it will still, due to the lack of precise information, be well on the conservative side.

9. An unofficial estimate made in the Washington intelligence community on the basis of extrapolations from a limited number of documents suggests that total strength in the administrative service category may be in the neighborhood of 100,000, a figure roughly equivalent to Main and Local Force strength. This ratio for full-time service and staff personnel to combat forces would not seem unreasonable for a military apparatus of the present sophistication of the Viet Cong/NVA.\*

# Irregulars\*\*

- 10. On the basis of information received during the past year it is apparent that our previous estimates of Communist irregular strength are also too low. Pending complete examination of this information, the MACV order of battle continues to list some 113,000 irregulars. This figure was arrived at over a year ago and has remained unchanged since that time. Studies of the evidence by MACV as of March 1967 tentatively arrived at what was thought to be a slightly conservative figure of 198,000 irregulars.
- 11. The basic problem in estimating irregular strength is that the irregular force structure does not lend itself to the precise measurements which can be made for conventionally organized military

<sup>\*</sup>The ratio of US combatant to US service and staff personnel in South Vietnam is at least six to one in favor of service and staff. That US forces should have proportionally so many more service and staff troops than the Communists can be explained by the relatively high sophistication of US equipment and the higher standard of living enjoyed by US troops.

<sup>\*\*</sup>Irregulars, by MACV's definition, are organized forces composed of guerrilla, self-defense, and secret self-defense elements subordinate to village and hamlet level VC organizations.

units based upon unit nomenclature, command structure, and unit historical data. Many of the captured Viet Cong records are available for some provinces are obviously estimates rather than statistical tabulations of strengths for irregular platoons and squads. In the absence of more precise data, MACV's estimates of VC iregular strength are derived primarily from the estimates provided by allied provincial officials. These estimates consider the type of VC infrastructure, the density of population, the scale of enemy military activity, and the extent of VC control in the various districts, villages and hamlets comprising each province.

- 12. The unofficial MACV estimate of about 198,-000 irregulars is the result, in part, of a new countrywide collection effort focussing on the sector level. Estimates and supporting information developed at the sector are fowarded to Saigon for review and comparison with information available there.
- 13. Despite the increased emphasis on collection of intelligence on the Communist's irregular force, we are still not confident that the figure of 198,000 is accurate. The number of irregulars is probably not less than the 198,000 figure, but it could be considerably more.
- 14. In any case, it is expected that the current OB figure of about 113,000 will rise considerably in the near future. This will not indicate that actual irregular strength has jumped, but only that we have refined our knowledge of it.

# Political Order of Battle\*

15. The MACV Order of Battle lists 39,000 VC political cadre in South Vietnam, but this estimate,

<sup>\*</sup>The Political OB is defined as the strength, and disposition of the command, and administrative organization of the Viet Cong infrastructure, which embodies the Communist control structure, and the leadership and administration of a parallel front organization (National Front for the Liberation of South Vietnam), both of which extend from national through the hamlet level.

like those for administrative service and irregular personnel, is probably also too low. The 39,000 figure, arrived at in early 1965, did not, partly because of the scanty information available, include those political cadre at the hamlet level where the largest number would normally be expected to serve. If hamlet cadres are included in the Political OB, an unofficial MACV extrapolation from the available data shows the number of political personnel is between 80,000 and 120,000. Unofficial ARVN estimates put the number of political personnel as high as 150,000.

16. An on-going CIA study of one area of the political infrastructure -- the security apparatus -- also suggests that the current figure of 39,000 political cadres is too low. This study concluded that there are probably at least 20,000 VC security personnel alone in South Vietnam. Other personnel which belong in the Political OB include those assigned to the Propaganda/Culture and Indoctrination, Civilian Proselyting Military Proselyting, Postal Transport, and Communications and Civil Health elements of the Viet Cong apparatus.

17. The basic problem in moving ahead to firm up the political OB is that we do not know how many of the political personnel are already accounted for in some fashion in either the Main/Local Force, Irregulars, or Administrative Service personnel. Particularly at the lower echelons, it would seem likely that many of the political personnel also fill in at military or paramilitary posts. Moreover, there is unquantifiable evidence that the Communists during late 1966 and early 1967 cannibalized some of their political apparatus to get replacements for military units; the extent of this is unknown at present.

#### Other

- 18. Excluded from the Order of Battle altogether have been the Viet Cong Assault Youths, whom the Communists created in early 1965, after their decision to emphasize "mobile warfare." Many Assault Youths from COSVN to district level appear to be full-time personnel, expected to perform logistic functions in support of the Communist Main and Local forces. Their tasks include the transportation of supplies. Partially armed and often uniformed, they have the secondary function of acting as a manpower pool for Communist regular units. There are also Assault Youths in Viet Cong-controlled villages and hamlets, but these are clearly part-time personnel.
- 19. As yet no attempt has been made to estimate their over-all numbers, but extrapolations from available documents suggest their total strength is in the low tens of thousands.

# Input Capabilities

- 20. There are two basic input factors to Communist strength in South Vietnam--recruitment of indigenous manpower and infiltration from the North. We cannot be precise in our estimate of Communist capabilities and present rates for either of these factors.
- 21. MACV has developed what is believed to be a better estimate than in the past of the maximum rate per month at which the Communists can obtain and train manpower in South Vietnam for their armed forces -- currently 7,000 men per month. This estimate is based on an assessment of the percentage of the male population available to the Communists and on a limited number of documents discussing indigenous recruitment from which an extrapolated rate for all of South Vietnam was developed. It represents input both to the regular and irregular forces. Whether or not the Communists are actually attaining this rate, or perhaps exceeding it, is unknown. No numerical documentation, it should be noted, was available for the delta in making the estimate. The delta, of course, has long served as a main reservoir of manpower for the enemy.

- The average monthly rate of infiltration into South Vietnam cannot be determined with any real degree of confidence for the period after about September 1966 due to the overall lag in obtaining information. It does appear, however, that the rate dropped substantially in the last months of 1966 and in early 1967, although the exact extent of this and the reasons for it are not clear at present. The evidence, as indicated earlier in the paper, strongly suggests that infiltration has again increased in the last few months and is now probably at or above the prior average rates. If the time from October of 1965 -- when a heavy round of infiltration began -to the present is taken as a base period, the maximum infiltration reported (including confirmed, probable and possible) works out to a rate in excess of 6,800 per month.
- 23. Applying this rate of infiltration, together with the 7,000 per month estimated internal recruitment rate would give the Communists a total input capacity of around 14,000 men per month. When this is measured against estimates of the Communist overall loss rate, it appears that the Communists are still able to add substantially to their overall strength in the South. It should be noted, however, that our estimates of enemy losses are in many respects just as tenuous as our estimates of enemy input. Moreover, much of the enemy input from infiltration in the last year has been into northern South Vietnam and, while it has greatly increased the threat in that area, has not added directly to the enemy strength from II Corps southward.
- 24. Enemy losses involve his killed in action, his permanently disabled (the wounded and sick who do not return to combat duty), his deserters and defectors, and those captured by friendly troops. In the case of KIA's, the average reported losses for the same period over which infiltration was computed above amounted to slightly over 5,000 per month. There is simply no way of determining the accuracy of KIA estimates. There are both inflationary and deflationary factors; however, it is generally felt in the intelligence community that if KIA are taken to include both killed and permanently disabled, the resulting estimate almost certainly must be on the conservative side.

- 25. Our estimates of enemy military deserters and defectors are very tenuous. A recent internal study by CIA, however, of the evidence available in captured enemy documents indicates that there may have been in the neighborhood of about 40,000 military defectors and deserters from Communist forces in 1966. It is entirely possible, nevertheless, that the Communists recovered up to one half of the deserters so that the net loss to the enemy may have been on the order of 25,000 men from both desertions and defections, or about 2,000 per month. The number of enemy soldiers captured during military operations appears to constitute a negligible loss to the Communists.
- Thus we are able to compute overall estimated losses of about 7,000 per month for enemy forces (KIA, plus desertions/ defections). would be well below the enemy's current theoretical input rate. It is probable, however, that his disabled and wounded add substantially to his losses. Moreover, in the last few months his battle casualties have risen substantially. During the first three months of 1967, for example, reported enemy KIA ran at a rate of almost 8,000 per month. Defections also rose substantially in the first few months of 1967, strongly suggesting that desertions are probably also higher, perhaps double those of 1966. If losses of this magnitude continue to be sustained by the enemy in 1967 they would probably bring his input capacity much closer into balance with losses.
- 27. There are, in addition, other aspects to enemy losses which are not computable, but which must rise apace with his other difficulties. It would seem reasonable, for example, to subtract somewhat for all enemy wounded, in terms of lost man-days at least, even though the wounded, aside from permanently disabled, may eventually return to combat. Moreover, there must be some enemy troops who leave active service because of old age or other personal reasons. In the force the size of the Communist military apparatus in South Vietnam, this might be a significant loss.

#### Outlook

- 28. If the Communists continue to sustain heavy losses and to lose control of the population at the rates experienced during 1966, it seems unlikely that they will be able to do much more than maintain the strength of their overall political and military apparatus during the balance of this year. They probably will put major emphasis on keeping their Main Force structure up to current strength throughout 1967, both by juggling personnel from less sensitive units and areas to formations and regions threatened by the allies, by in-country recruitment, and by increasing infiltration. An estimated 80,000 North Vietnamese personnel infiltrated into South Vietnam during 1966 and there is no reason why the North Vietnamese cannot continue to send an equal, if not greater, number of men south in 1967 should they feel it necessary to do so.
- 29. If they are able, in addition, to check the erosion of their population base, they may be able to or significantly increase their overall strength. In either case, they are likely to accomplish their minimum strategic goal of protracting the war.

III

III

The State of the Communist Infrastructure

# THE STATE OF THE COMMUNIST INFRASTRUCTURE

#### Summary

The infrastructure is the Viet Cong's political and administrative organization, embodying the Communist Party and the leadership and administrative apparatus of the National Front for the Liberation of South Vietnam (NLF), from national to hamlet levels. Unofficial estimates of its strength range from 80,000, regarded as a rock bottom minimum, up to 150,000. Nevertheless, it is probably not as big as it once There has been, according to captured Viet Cong documents, a significant erosion of the Communistcontrolled population base since mid-1965. areas, such as in parts of Binh Dinh and Phu Yen provinces and certain parts of the Delta, the infrastructure has partially disintegrated because of allied military pressure. In other areas, however, particularly in I Corps it appears to be as resilient and as strong as ever.

Although the Viet Cong infrastructure is large, its overall quality has gradually declined since 1964. Part of the qualitative decline has been the result of growth. A second, and perhaps more significant, reason for the decline in quality of civilian officials has been the Viet Cong's emphasis, since early 1965, on the military side of the conflict. Moreover, morale apparently has become a serious problem in some areas as a result of allied military pressure and related hardships.

The party's initial response in early 1966 to the decline in the infrastructure's quality was to increase the number of reindoctrination courses and emulation campaigns for its cadres. More recently, the Communists have attempted to tighten up their control apparatus in the countryside. There are also indications that the Viet Cong are assigning high-level cadres to lower echelon positions.

This down-shifting of gears may tend to exacerbate the morale problems of infrastructure, since it could be construed as a partial step backwards and thus a tacit admission that the past strategy has failed. The infrastructure's morale and the quality of its personnel are not so low, however, that they cannot be buoyed up, particularly by a series of successes, real or apparent. Although shaky in some areas, the infrastructure remains largely intact at middle and higher echelons, and poses a formidable obstacle to the pacification program.

# Composition and Strength

- 1. The infrastructure is the Viet Cong's political and administrative organization, embodying the Communist Party and the leadership and administrative apparatus of the National Front for the Liberation of South Vietnam (NLF), from national to hamlet levels. Its highest level is the Central Office of South Vietnam (COSVN), a large and complex command organization located in the forests of northern Tay Ninh province. The status and structure of COSVN exemplifies that of much of the rest of the Viet Cong apparatus. Not only is it a supra-regional Party committee; it is also an administrative bureaucracy, with all the trappings -- budgets and reports, departments and agencies, typewriters and carbon paper -- of a government apparatus.
- Similar but progressively smaller Party-controlled bureaucratic entities exist at the regions, provinces districts and villages in Communist-run portions of South Vietnam. Even hamlets have small management organs which execute and implement policies coming from above. At all levels, the Party and the bureaucracy are intertwined, with Party members holding all the most important positions. Paralleling the Party apparatus -- but not possessing a line of command of its own -- is the NLF, which has committees at all levels down to district. These committees provide a facade for the Party management machinery, but exercise no real control over the activities of the hundreds of thousands of members in Front associations in the villages and hamlets which receive direction from the Party element at that level. Also entwined in the infrastructure is the Viet Cong's military organization, including the guerrilla and paramilitary elements at the lowest levels. This complex organization makes for considerable confusion in identifying a person's position within the Viet Cong organization. A deputy head of a hamlet Party cell, for example, might simultaneously be chief of the hamlet guerrilla squad, and head of the local Front Farmers' or Youths Association.

- 3. No systematic study of the size of the Communist infrastructure has yet been published. Research indicates, however, that it has far more than the 39,000 members carried in current political order of battle estimates. Unofficial estimates of its actual strength range from 80,000, regarded as a rock bottom minimum, up to 150,000. These estimates are based on extrapolations from captured documents, as applied to allied population control statistics. They exclude those who are only casually connected to the Viet Cong, such as members of Front associations.
- 4. Although the infrastructure is far larger than listed in the OB, it is probably not as big as it once was. There has been, according to captured Viet Cong documents, a significant erosion of the Communist-controlled population base since mid-1965. Many members of the infrastructure have fled, been killed, captured or faded away. In some areas, such as in parts of Binh Dinh and Phu Yen provinces and certain parts of the Delta, the infrastructure has partially disintegrated because of allied military pressure. In other areas, however, particularly in I Corps it appears to be as resilient and as strong as ever.

#### Quality and Morale

5. Although the Viet Cong infrastructure is large, its overall quality has gradually declined since 1964. Part of the qualitative decline has been the result of growth. With the expansion of the infrastructure, recruiting has necessarily been less selective, so that political and administrative officials who acquired their jobs in recent years are, on the average, inferior to the hard-core cadres of earlier vintage. A provincial Party directive of April 1966 reflected this phenomenon by stating that more recently recruited cadres were unable to "cope with hardship," ascribing "the drop in quality.../to/ recent heavy recruiting which resulted in members' putting too much stress on quantity..."

- 6. A second, and perhaps more significant, reason for the decline in quality of civilian officials has been the Viet Cong's emphasis, since early 1965, on the military side of the conflict. In order to fill the expanding Liberation Army, the Viet Cong instituted what came to be called the "Reduction in Administrative Personnel." This involved a large-scale transfer of bureaucratic functionaries to the army, particularly the main force, as officers and noncoms. A COSVN-level document written in the middle of 1966 noted that at that time "20 percent to 30 percent of the competent...cadres" had been so transferred from local levels of the infrastructure.
- 7. The gradual qualitative deterioration of the civilian infrastructure has varied widely both by area, and by level of assignment. Generally speaking, the decline has been most pronounced at the lower levels, but the Viet Cong hierarchy has also been affected. This pattern is reflected in a study of Chieu Hoi statistics jointly compiled by RAND and MACV, which shows that enemy political cadre defections were most common among the lower level personnel.
- 8. The study determined that some 25 percent of the ralliers listed in weekly defector reports as "civilians" had cadre status. The percentage of civilian (or "political") cadres by their level of service was found to be as follows:

Regional Level	1%
Provincial Level	3%
District Level	13%
Village/Hamlet	
Level	83%

9. It is also evident that the deterioration has been more rapid in the Delta, for example, than it has been in I Corps. A recent study by a RAND researcher indicates that not only have the number of civilian ralliers in the Delta increased considerably in recent months, but the length of service with the VC among the ralliers has gone up as well.

The number of civilian ralliers in I Corps, on the other hand, is so small as to be statistically insignificant.

10. Morale apparently has become a serious problem in some areas as a result of allied military pressure and related hardships. Documents, prisoners and ralliers suggest reduced confidence in victory, and growing "revisionism" and "subjectionism" among the cadre. Doctrinal disputes on strategy, and bureaucratic wrangling on its implementation have also created problems. But deteriorating morale does not yet seem to be a serious problem in areas where the Viet Cong have not yet been forced into a retrograde situation.

#### Communist Countermeasures

- 11. The Party's initial response in early 1966 to the decline in the infrastructure's quality was to increase the number of reindoctrination courses and emulation campaigns for its cadres. Although politically helpful, from the Communists' point of view, the courses did little to solve the basic problem. One Party document dated August 1966 indicated that although the courses had been partially effective, there was still "weakness" in leadership, and that "the status of desertion always prevals, sic."
- 12. More recently, the Communists have attempted to tighten up their control apparatus in the countryside. Recent low-level reports from several provinces cite personnel, administrative and territorial reorganizations, and, in some cases, introduction of North Vietnamese political cadres to supervise or replace local Party agents. While these reports reflect a streamlining rather than a general purge, some regional and provincial levels have been told to tighten up their organizations and to remove or replace those local cadres who are not considered reliable or sufficiently enthusiastic in their jobs. The documents also

reflect considerable concern over vulnerabilities to GVN intelligence and defection operations.

- 13. There are also indications that the Viet Cong are assigning high-level cadres to lower echelon positions. A recent detainee -- a PRP member connected to the Can Tho Party committee -- said that some of the provincial committee's section leaders had been downgraded to serve at district level. The detainee indicated that the downgrading was not a demotion but was an attempt by the Viet Cong to strengthen the apparatus at the lower echelons. There have been other similar reports which suggest that this may be a general trend.
- 14. This down-shifting of gears may tend to exacerbate the morale problems of infrastructure, since it could be construed as a partial step backwards and thus a tacit admission that the past strategy has failed. The infrastructure's morale and the quality of its personnel are not so low, however, that they cannot be buoyed up, particularly by a series of successes, real or apparent. Although shaky in some areas, the infrastructure remains largely intact at middle and higher echelons, and poses a formidable obstacle to the pacification program.

IV

IV

Political Developments and Prospects in South Vietnam

# POLITICAL DEVELOPMENTS AND PROSPECTS IN SOUTH VIETNAM

### Summary

Although the military establishment has a virtual monopoly on the levers of real power in South Vietnam, it has shown a steadily increasing degree of political wisdom and sophistication since assuming political control in May 1965. The military government has successfully coped with the kinds of crises that toppled its predecessors, and has taken South Vietnam a significant way down the road toward constitutional government. Though South Vietnamese politics are still marked by stress, fragmentation, and potential discord, the last two years have witnessed a notable improvement in political stability and the initiation of a process at the Saigon level which holds promise of leading to the evolution of the kind of national political institutions which are needed to make South Vietnam a viable modern state.

For over a year, the military establishment has been quietly exploring ways of creating a political apparatus capable of ensuring continued military domination within a constitutional and representative system (though no such apparatus has yet been built or is likely to be constructed before the elections). This effort has been carried on primarily by Marshal Ky (and his immediate associates), who has made overtures to and developed some measure of support among a wide range of civilian groups.

Political thinking, within the military however, has been premised on the assumption that there
would be only one military candidate in the forthcoming elections, a candidate to which the military establishment could give unified support.
This assumption, in turn, has been based on the
recognition that military unity and cohesion is
essential to continued political progress and stability, for the generals are well aware that the prime
contributor to the political achievements of the
past two years has been the unity displayed (so
far) by the military establishment. This unity

-1-

is now threatened -- though not yet jeopardized -- by the sharpening rivalry between Ky and General Thieu. Ky has formally announced himself a candidate for the presidency and Thieu has indicated that he also plans to run.

The civilian political opposition to the military establishment is fragmented and almost certainly could not develop the kind of organized effort that would be necessary to defeat a candidate with undivided military backing. If Ky were the only military candidate, his chances for winning a comfortable plurality would be considerably better than even. If Thieu actually runs, prognosis will be uncertain until we can see the actual effect of Thieu's candidacy on unified military support of Ky.

The strongest of the civilian candidates is Tran Van Huong, who is almost certain to run. As a southerner and a staunch advocate of southern causes, Huong would draw heavy support from this area. While he gives lip service to the need for military-civilian cooperation, compromise with the military, would be difficult for Huong as president. The chairman of the Constituent Assembly, Phan Khac Suu, may also run, but is unlikely to gain significant support outside the southern area.

In casting about for issues, civilian candidates are certain to raise the themes of corruption, peace and foreign (i.e., US) domination. militant (Tri Quang) Buddhists have already launched at least a trial run of an anti-war, anti-US campaign. The injection of such themes into the electoral campaign will receive wide play in the international press but we doubt if they will become (or that the GVN will let them become) burning, divisive issues in Vietnam. Though the US has some vocal and highly articulate critics among the Vietnamese intelligentsia, and though the sheer magnitude of the US presence in Vietnam makes some friction and resentment inevitable, by and large the US is well regarded by politically conscious Vietnamese, most of whom are grateful for American support

and recognize that without it, South Vietnam could not survive as an independent political entity.

Similarly, though many Vietnamese are understandably tired of strife, there is widespread acceptance of the fact that the only alternative to continued struggle is the unacceptable one of Communist domination. The GVN is not likely to allow much discussion of reconciliation or rapprochement with the NFL during the forthcoming campaign, but here it will be running with, not against, the prevailing climate of non-Communist opinion since the NLF's claims to potential independence of view and indigenous political roots are given much less credence within Vietnam than they are given abroad.

Over the past two years the trends in South Vietnamese political life have been favorable and encouraging, but the unity and stability achieved, though significant, is fragile. the weeks ahead there will be real and constant risks that electoral ambitions and stresses will inject divisive strains sufficient to destroy this stability and arrest the progress achieved to date, particularly if the Thieu-Ky rivalry splits the unity of the miltary establishment. There will also be the risk that Ky or his associates (e.g., General Loan) will succumb to temptation and try to rig the election in a politically disastrous manner. Predictions, thus, cannot be offered with confidence. mains the case, however, that South Vietnam's record of political achievement has been impressive, that in the process now in train there are signs of genuine political development, and that events, so far, are moving in the right direction.

## The Setting

- 1. Since its independence in 1954, South Vietnam has been in the throes of political evolution, the course of which has been erratic and often convulsive. In particular, the pace of political activity quickened following the overthrow of the Diem regime, although such activity often occurred in extra-legal channels more than in legal ones. Under the present military regime, however, politics have tended to shift from the streets and back rooms toward more conventional political modes and forums. To have come this far is no mean achievement, given the country's political history, and represents more progress than anyone expected when the military assumed control in June 1965.
- But the crucial question is, what happens next? South Vietnam has poor clay with which to build a national political structure. Endemic political fragmentation is still the rule, and politics tend to be dominated by narrow-based, usually contentious, factions reflecting regional, religious, or simply personal loyalties with little consideration for broader national interest. Not only is there nothing resembling a national party, but even the political fragments are badly splintered. the upcoming presidential and legislative elections will test the ability of the Vietnamese to form a government that is both reasonably effective and relatively representative; that is, a government that reflects, and is cognizant of, the necessity for balancing personal liberty and national order. There can be no assurance that this goal will be realized; the attempt itself might once again plunge the country into political paroxysms.
- 3. In any event, the divisive nature of Vietnamese politics will have to be attenuated, and eventually subsumed, by a broader political framework if continued political progress is to be realized. Although broadly based political groupings are not an early prospect, there are encouraging indications that the elections are stimulating cooperation among diverse political factions. This is of great significance for Vietnam and for the US

because, if handled well, this process could cause political life in South Vietnam to move in the general direction of stability and order. The following paragraphs will assess the factors and forces now influential in South Vietnamese political life.

### The Military Establishment

## Composition, Attitudes and Loyalties

- Since assuming open control of the government in May 1965, the military establishment has displayed a remarkable degree of cohesion. cohesion derives in large measure from the similar backgrounds of the senior officers--regional, religious, military, educational and experience -- and their fairly acute awareness and understanding of the political realities in Vietnam. As a result, there is at least some willingness to subordinate personal ambitions to the collective interests of the military and an apparent consensus among the military hierarchy concerning the major policy issues facing Vietnam. In light of the past performance of South Vietnam's civilian politicians, the military has no confidence in the ability of the civilians to administer effectively, to maintain national cohesion, to pursue the war vigorously, or to refrain from interference in professional military matters. military leaders share a common aspiration for political stability, but they interpret this as requiring military dominance in any government in the near future.
- 5. The military leadership has faced many thorny issues, but the most serious potential threat to the cohesion of the Directorate since its inception two years ago has come from within, on the issue of which of its two principal leaders would become the military candidate in the presidential elections. Early on, General Thieu seized the initiative by saying that while he thought that he would be a candidate, he would defer the public announcement of his decision while he reflected on his chances for success. This position evoked from General Ky a promise of support if, in fact, Thieu chose to run. But as months rolled by and Thieu continued to

vacillate, Ky who quite obviously wished to run and saw his chances as infinitely better than those of his senior colleague, became highly restive.

- Since the two men were apparently unable to resolve the problem face-to-face, Ky began to exert pressure on the other members of the Directorate to choose between the two by vote. Having reached the top by not having made many bad guesses in the Saigon arena of internal military politics, the senior generals were understandably chary of making such a selection, even by secret ballot. Both contenders launched a variety of stratagems and ploys to see the issue finally resolved. Suspicions and divided loyalties among the other Directorate members were major by-products of this prolonged infighting. The 8 May announcement by the Minister of Defense, General Vien, that the armed forces would not put forth, as such, a military candidate, broke the impasse. In this statement, Ky saw absolution from his pledge of support to Thieu, enabling him to announce his candidacy at once.
- If the weight of Ky's confident bid for power is sufficient to convince the indecisive General Thieu that he should abandon all thoughts of his own candidacy, the prognosis for unanimity among the high command is good. Ky and his closest supporters should be able to paper over the problems in the Directorate that the delay has caused, and a closing of ranks in support of Ky can be expected. If Thieu also chooses to run, however, the dilemma that has so far been fairly well contained within the Directorate itself will be extended throughout the ranks of the entire officer corps. Such a move on Thieu's part could have divisive effects throughout the country. Corps, provinces and districts are almost exclusively administered by military officers. The power of these officials, which was admirably used in last September's Constituent Assembly elections simply to get out the vote, may well be abused in the presidential elections in support of the military candidate whom they feel deserves their loyalty. Within ARVN proper, down to the platoon level, military commanders will be hard pressed to decide how they should counsel their

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troops to vote. This conundrum cannot help but distract the military and adversely affect the vigor with which the war is prosecuted during the months of the campaign.	
8. Though remote, the possibility exists that General Thieu, who has stated that the military establishment ought to withdraw from politics, may decide to ally himself with a civilian running mate and campaign on a platform which advocates the return of power to civilian hands. This would have obvious appeal to the large civil element who might see in Thieu's candidacy an opportunity to reduce sharply the chances of front runner Ky. But inherently Thieu has minimal voter appeal, and no extra-military organizational base of national scope. Moreover, the Army, spearheaded by the "baby Turks," would see in Thieu's move a betrayal and a threat to the destiny to forge the nation which they believe is theirs. These predominantly northern and pro-Ky officers would be able to dilute the army loyalty Thieu might be counting on. The effect would still be devisive, of course, but much less so than if Thieu chose to run as an avowed military candidate.	<b>25V</b> 1
Political Strategy and Assets	25 <b>X</b> 1
9. For over a year, the military establishment has been quietly exploring ways of creating a political apparatus with which to insure continued military domination within a constitutional and representative system.	7

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According to National Police Director General Nguyen Ngoc Loan, however, the long delay in deciding which man would run has put the military months behind in the broad-based civil-military organizational planning which they had envisaged.

- Loan, who will manage the Ky campaign, feels that it is too late to create the viable political coalition originally planned as a front for the military candidate. With less than four months until election, such a front now would only be window dressing. Instead he plans to work clandestinely on a province-by-province basis using what strengths exist in terms of favorably inclined local political groups and the facilities of the government's administrative apparatus. In the latter instance, the military establishment has substantial political assets at its disposal. It controls the financial coffers of the country; it is the dispenser of governmental favors, jobs and sinecures; it has the organization, manpower, and trucks to see that the voters get to the polls. In short, the military is the only (non-Communist) body whose power and sway extends throughout the country, and this gives it tremendous advantages in organizing grass roots support. In particular, the Revolutionary Development (RD) program and cadre provide the regime with a potentially formidable political instrument with which to get to the people. The RD teams were used for political purposes to get out the vote for the Constituent Assembly elections last September, and will undoubtedly be even more active in the presidential and legislative contests this fall.
- 11. In addition to the RD cadre, the military hierarchy can count on the support of most of the armed forces, the civil administrative apparatus, and provincial and district officials (most of whom are military). These groups not only have a vested interest in the present system, but they are susceptible to persuasion and pressure from the government. Thus, as election day approaches, it can be assumed that considerable emphasis will be placed on these groups delivering the vote. Officials whose

response appears less than enthusiastic will run the risk of being replaced.

### Civilian Support

- In addition to the substantial assets the military has from its own resources, the establishment leaders will probably be at least moderately successful in garnering support for their presidential candidate from a number of the traditional civilian political factions. It is generally accepted in Vietnam that military support is essential for the survival of any government, and many believe that at this time the only way to insure military support is to have a military man in the top executive post. Moreover, the military's support of a faction's legislative ticket could be decisive. Such considerations, plus the fact that most Vietnamese observers believe that the military will win anyway, tend to provide considerable incentive to cooperate with the military and thereby get on the bandwagon and share the rewards and spoils of victory.
- 13. The military establishment will have to make strong overtures to these groupings, but it must be stressed that endorsement of a candidate by a political faction does not mean that the candidate will receive full support from the faction's adherents. There is such a mishmash of conflicting interests within the many political groups that some seepage is inevitable. Indeed, some groups will attempt to be involved to some extent in each of the contending camps so as to insure their interests no matter how the election comes out.
- 14. Chief among the military establishment's political targets will be the following groups:
- a. The Hoa Hao Sect. In the Delta, the Hoa Hao religious organization, which carries more political weight than the sect's small political parties, appears to favor backing the military's candidate. Such leaders as Van Phu and Le Phuoc Sang, once a special assistant to Ky and now the leader of the Democratic-Alliance Bloc in the Constituent Assembly (CA), probably see more to gain

in aligning the sect with the military than in following southern regionalist sentiments and backing a candidate such as Tran Van Huong or Phan Khac Suu. In fact, the sect's strength as a southern faction gives it particular appeal to the GVN, which is weakest in this area.

- b. The Cao Dai Sect. No longer much of a political force outside of certain enclaves such as Tay Ninh Province, the Cao Dai Sect has been amenable to GVN persuasion in the past. The presidential candidacy of civilian Phan Khac Suu (a Cao Dai member) notwithstanding, the odds are slightly better than even that most of the Cao Dai leaders will follow the GVN's lead.
- c. The VNQDD Party. Truly a many splintered thing, some of the VNQDD factions, whose strength is primarily in I Corps area of central Vietnam, will back the military; to do otherwise would risk having the military opt to work exclusively with the Dai Viets; the VNQDD's arch rivals in I Corps. During the "struggle" movement last year, the VNQDD leaders apparently cooperated with the GVN. Ky has been in frequent contact with VNQDD leaders and other military leaders have probably had similar contacts.
- Northern Catholics. Plunged into disarray following Diem's ouster, the large (almost one million) northern Catholic element has steadily reasserted itself as a strong and cohesive political force that must be reckoned with in the nation's political future. Sharing very similar goals with the military, many of whom are northern Catholics, the northern Catholics have had cordial relations with the military regime. In particular, the northern Catholics favor the military's policy of a vigorous prosecution of the war. The candidacy of Tran Van Huong, however, might draw some support from the northern Catholics because of his anti-Buddhist background, but the southern regionalism that Huong also personifies would work against him. Moreover, the northern Catholics were undoubtedly more impressed by the military's forthright squashing of the militant Buddhists last year than they were by Huong's cverthrow by the Buddhists. In any event,

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we believe that the bulk of northern Catholic support will go to the military establishment's candidate.

- Northern Buddhists. The northern refugee Buddhists are led by Thich Tam Chau and are strongest in and near Saigon. Following the open break between Chau and militant Buddhist Thich Tri Quang in the wake of the "struggle movement" last year, Chau has been cooperating with the military government, with General Loan serving as the regime's principal contact. The regime has been aiding Chau in his efforts, as yet unsuccessful, to create a national Buddhist organization free from the influence of Tri Quang. In return, Chau will probably be expected to back the military's presidential candidate, and although he might not formally endorse the candidate, we believe that he will deliver the vote. Indeed, if Tran Van Huong is the main civilian candidate, or if Tri Quang takes an active role in the election, we believe the odds are fairly good that Chau will openly back the military's choice.
- f. Labor. Tran Quoc Buu, prominent leader of Vietnam's major labor organization, appears to have switched his allegiance from Tran Van Huong to Premier Ky. The labor vote in Vietnam is not large, but in the Saigon area it is of some consequence. Buu claims to be working with Dan Van Sung, an oldline Dai Viet, and Hoa Hao leader Le Phuoc Sang in forming a front to support Ky. Buu, who aspires to be a political force, has apparently concluded that no civilian candidate can hope to win and that it is smart politics to back a winner.
- g. The Veterans' League. Under the leadership of General Chieu, the Veterans' League, which has limited political potential, should be solidly in the military's camp. The League plans to run about 30 candidates for the legislature and will probably receive governmental support for this endeavor. Apart from the general value of organized support, the League gives the military establishment some organized support in the south—the weakest link in the military's chain of support, and the area from which the major opposition to the GVN will come.

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# The Civilian Opposition

- Phan Khac Suu. Chairman of the Constituent Assembly and former chief of state (October 1964 -June 1965), Phan Khac Suu apparently has decided to stand for the presidency with Phan Quang Dan, CA member and president of the Gia Dinh Provincial Council, as his vice-presidential running mate. Suu has had a long, if not particularly distinguished, political career in South Vietnam. And although his age (62) and lack of dynamism are considered liabilities by some, he is nationally known and may even be something of a "father image" in a country where veneration of the elderly is a strong, common emotion. In any event, Suu, who is a southerner, would run strongest in the Delta area and might also get some support from VNQDD elements in central Vietnam. The presence of Dan on the slate would draw votes in the populous Saigon area. The Suu-Dan ticket makes some attempt at a regional balance, but unless a centrist is added as the prime ministerial choice, it does not seem likely to obtain significant support outside of southern region. Unless it does obtain such support, its chances of seriously challenging the military's candidate are very small.
- Dan, and perhaps Suu as well, recognize the odds against their ticket. Indeed, Dan has indicated that he believes the military will win the election, and there were indications that he was trying to persuade Suu not to run for the presidency but to head up a legislative slate. We do not know what lies behind Suu's decision. He may feel that his time is running out to play an important role in Vietnamese politics, and he would prefer to play it in the main arena, not in a legislative side show. Or he may feel that, whatever his chances are, he has something to contribute to a presidential campaign and the country's political future. In any event, Suu's presence in the race will have the effect of splitting southern strength, and there is a possibility that the GVN had a surreptitious hand in persuading Suu to run.
- 17. Tran Van Huong. The strongest civilian candidate is Tran Van Huong, who, despite not having

yet formally declared his candidacy, is almost certain to run. Huong, unlike Suu, is both forceful and determined. He has not forgotten his past difficulties with the military and the Buddhists who were instrumental in his ouster as premier in January As a result, he harbors much distrust for Thus, while Huong gives lip service to the need for military-civilian cooperation, compromise with the military would tend to be difficult for Huong believes in a strong executive and is frankly of the belief that the majority of the Vietnamese people are not ready for democracy and do not necessarily need or want it. US officials have stated that Huong, who has expressed admiration for Diem's "good qualities," appears to have some of the late dictator's characteristics, namely honesty, courage, a sense mission, a capacity for stubbornness, and a basically confucian-mandarinal view of government and society.

- Huong, a southerner, is a staunch champion of southern regionalist sentiments and would draw heavy support from this area. Even some southernborn military officers have expressed interest in Huong's candidacy. Former youth minister Vo Long Trieu, who was one of the dissident southern ministers that resigned in last October's "cabinet crisis," is currently acting as Huong's campaign manager and is a member of a "brain trust" that is plotting Huong's political strategy. Trieu is the acknowledged leader of the Movement for the Renaissance of the South, a militantly southern separatist group, which is solidly in Huong's camp. Huong would probably obtain the bulk of southern Catholic and Buddhist support since these politically inchoate groups generally follow the lead of the southern political organizations; he would also pull some votes in the Hoa Hao and Cao Dai areas.
- 19. Huong realizes that if he is to have a real chance of challenging the military's candidate, he must broaden his political base outside the southern region. Initially, Huong appeared to favor an alignment with the VNQDD. But since the military (or more specifically, Ky) seems to have gained a rather secure lock on VNQDD support, Huong

has explored the possibility of an alliance with Revolutionary Dai Viet Party (RDVP) leader Ha Thuc Ky, who at the moment claims to be running for the presidency himself.

- 20. Huong would probably garner some northern Catholic votes because of his previous strong stand against the Buddhist Institute. Trieu is one of the key leaders of the Catholic Liaison Office in Saigon, which has played an important role in promoting Catholic cohesion, and can be expected to lobby for Huong in this group. Trieu has also said that Tri Quang's militant Buddhist following in central Vietnam would not oppose Huong's candidacy. Indeed, it is not at all out of the question that Tri Quang might enter into an open alliance with the southern regionalists in support of Huong, especially if Huong should take a strong stand against the military and a somewhat anti-US tack.
- Politics, as is generally recognized, produce strange bedfellows, particularly in South Vietnam. Precisely because Huong appears to be the strongest likely civilian candidate, particularly in light of his southern ties, Ky seems to be weighing the idea of seeking Huong's cooperation, perhaps as his (Ky's) running mate. At first blush this might seem an improbable ticket, but it would be a very strong one, particularly since Huong's and Ky's relative strengths and assets are very complementary. Huong might rebuff the offer, but it is far from certain that he would do so, particularly if he felt Ky sure to win anyway (illegally, if necessary) and thought that by joining forces with Ky he could not only share the spoils of victory but, by his participation, temper the military cast and orientation of Ky's government.
- 22. Ha Thuc Ky. Although RDVP leader Ky has made no secret of his presidential candidacy, he may really be fishing for a deal in which he "withdraws" and throws his support to another candidate in return for the vice-presidential slot or some other prestigious position in the new government for himself and his party. It remains to be seen whether Ky will forge an alliance with Huong. Indeed, the odds are as good or slightly better that the military establishment can win the RDVP over to its side.

Many of the military leaders have a Dai Viet background, e.g., Thieu, Tri, and Vien. (Thieu's brother, Kieu, was an influential Dai Viet leader, and two of Ky's closest advisers, Dinh Trinh Chinh, and Bui Diem, were connected with the party.) Finally, of course, Ha Thuc Ky may not be able to make a deal with anyone; if so, he would almost certainly remain in the race despite his neglible chances.

#### The Elections: Issues and Pitfalls

#### Issues

- Marshal Ky will run on the accomplishments of his government's two years in power. The stability he has provided Vietnam will be less an issue than the social revolution which has been begun. Ky sees himself as one of the few leaders sufficiently concerned with raising the living standard above its present subsistence level with the power and determination to do something about it. He believes, with some justice, that the progress made in just a year toward elective representative government based on a constitution has been heartening and impressive, particularly in a nation at war. If Ky is able to make clear in the villages and hamlets what the implications of this new structure can be, he may do much more than just insure his election -- he may cause the Vietnamese to start thinking of themselves as a nation. Reportedly, the main thrust of his campaign will be conducted in the countryside, where he will attempt to identify himself with a social revolution in which the government (i.e., his government) has joined forces with the poor. Hardly revolutionary in Western eyes, a direct appeal to the peasantry, in itself, would be a major change in the traditional mandarinal Vietnamese way of life.
- 24. Ky has shown more skill than most people gave him credit for in his informal dealings with the Constituent Assembly members in an effort to see the government's thinking reflected in the constitution. He will undoubtedly continue his efforts within this group, many of whom will be candidates for the legislature. A presidential victory would

be incomplete without substantial majorities in both houses of the legislature. To accomplish this, General Loan plans to spend the majority of his election funds in direct support of individual legislative candidates. Loan feels that the average Vietnamese politician lacks the breadth of vision to understand the principle of reciprocal political power. He thinks only of his own political fortunes rather than in terms of tying his fortunes to that of any other power element. The concept of log-rolling is largely foreign in the Vietnamese political milieu. Political "deals," which are a basic practice in sophisticated Western democracies, have little appeal or meaning in the relatively primitive political context of Vietnam, where only money has political value at this time.

- 25. These machinations and other local deals, patronage, etc., Marshal Ky will leave to General Loan who will function in the murky, behind-thescenes, atmosphere. Ky will stay in the public eye, hammering home the broad themes of social justice and nation building.
- 26. One major issue on which Ky will undoubtedly take a hard line will be on the question of a coalition government or of discussions with the Viet Cong and the National Liberation Front. The generals are adamantly on record on this score, but have shown some willingness to consider talking to their Hanoi counterparts. For all practical purposes, however, a strong anti-Communist posture and a resolute determination to prosecute the war will probably be the strongest plank in the platform.
- 27. As electioneering picks up steam, we anticipate a rising chorus of criticism against the military establishment and its performance in office. This could become particularly bitter if the civilian candidates decide that their only hope of rallying the people is to pull out all the stops in attacking the military. The military establishment will be charged with attempting to perpetuate itself in power and thereby flaunting the people's "desire" for a civilian government. General Loan,

long a target of southern civilian ire, will almost certainly be bitterly assailed and accused of intimidating and suppressing civilian opposition to the military regime. And as is usually the case in politically underdeveloped states, the "outs" will be predisposed to charge that the "ins" have rigged the elections.

- 28. The civilian opposition will undoubtedly hammer away consistently at the themes of inefficiency and corruption within the military establishment. The GVN is vulnerable on the score of corruption and is itself embarked on an anticorruption crusade. Nonetheless, the opposition will get some mileage from this issue. The military (and the US) will also be blamed for the increased cost of living, inflation, and other deprivations occasioned by the war. Finally, the military will almost certainly not escape being labelled as a "US-puppet."
- 29. Beyond these issues, such potentially explosive questions as peace and the US role in Vietnam are certain to be broached during the election campaign. The opposition groups, feeling themselves in dire need of some emotionally dramatic issues to offset the military's advantageous position, may come out for peace and neutrality and may attack the US presence in Vietnam. Indeed, there are signs that the militant (Tri Quang) wing of the Buddhist movement is trying to launch just such a campaign. Tri Quang may hope to make common cause with non-clerical southern groups who, partially reflecting their closer affinity and contact with the French, have generally taken a more compromising attitude toward ending the war and have tended to be more vocal about the allegedly deleterious effects of the US presence on the country's economic, social, and moral fibre. Even if this recently surfaced Buddhist campaign does not catch on, there will at least be significant undertones of anti-US and neutralist sentiments in the campaigning.

# Potential Pitfalls

- 30. The most obvious pitfall, of course, is that the electoral process will somehow set off forces which destroy the substantial, but as yet fragile, progress made thus far. This could come about in a number of ways, e.g., a serious split in the military establishment that resulted in a military coup, or a situation in which the campaign became so bitter that the security of the country was so threatened by demonstration, riots, and the like that the military felt compelled to suspend the elections and resort to suppressive measures. However, both of these possibilities are unlikely at the present time.
- Somewhat more likely is the possibility that the military will attempt to rig the elections or engage in flagrant activities that would destroy their integrity. Getting out the vote in the Constituent Assembly elections was one thing, getting it out in support of a particular candidate requires more sophisticated tactics. General Loan has said that he could rig the elections but, with the foreign press looking over his shoulder, not without detection. Although he claims he has consequently discarded any thought of rigging Loan may be irresistably tempted to shore up soft spots as a matter of expediency, particularly since time is so short. Loan, despite the assets at the government's command and his confidence that Ky will win, does not see victory as automatic. In effect, he is running scared. His current estimate gives Ky 60 percent of I Corps, and he is sure of II Corps, but he believes that in III Corps and the Delta provinces, the nation's population center, southern support favors Phan Khac Though by no means the crude hatchet man his opponents depict him to be, General Loan may be impelled by excessive zeal to resort to politically counter productive intimidation of his opposition, particularly in the critical southern provinces.

- Equally serious and perhaps more damaging, if exploited by the civilians, will be the sources of funds developed to support for the Ky campaign and the method Loan uses to raise such funds. He estimates 50 million piastres will be needed for the presidential race and 70 million will have to be expended on legislative candidates. This sum -the equivalent of one million dollars -- he sees as the absolute minimum required. Given the loose fiscal practices of the government, Loan could easily raise such a sum quietly if he had more time. But pressed, he is quite likely to turn to methods not easily concealed which, in turn, could tie Ky directly to the major issue of governmental corruption, a charge from which Ky has been free up till now. In short, Loan is an active man, and, now, an impatient one as well. He has may talents but little experience and sorely needs political guidance if he is not to kick over the traces.
- 33. Yet another potential pitfall lies in the danger that the military will not be particularly concerned to make an effort to include a significant civilian element in the new government. Some in the military do not sufficiently appreciate the political need for the new government to look like something new, or at least to avoid having it look as if the political process now in train has been designed only to give a constitutional and electoral veneer to the same old political arrangements. This is important for both the domestic and international image of the new gov-On balance, however, the top leadership in the military is aware of the importance of the coupling of the military and civilian elements in the government, and they will be receptive to US advice in this direction. Thus, the odds are better than even that the new government will contain enough of a civilian aura to give credibility and substance to a claim that it does represent a real step forward.

## Prospects

34. Considering the assets that the military establishment already possesses and the potential

support that it may gain through political deals, chances are considerably better than even that if the military remains unified, whomever it supports for the presidency will win comfortably. No opposition group can rival the nation-wide apparatus and potential Tammany-like influence that can be utilized by the military establishment.

- 35. Should the opposition campaigns become bitter, as they might, a number of abrasive issues may be raised which will involve the US. Should the government try to insure the success of their candidate through fraud or bulldozer tactics, its victory may be so sullied as to destroy the value of the election itself.
- Should Ky and Thieu both run and carve each other up, or should a particularly heinous case of government election fraud be revealed -- or perhaps simply through an act of God -- a civilian candidate may squeak through in September. this happen, the basic differences between the military and the civilians will soon be manifested. In discussing such a possibility, General Loan felt that the military establishment would not surrender any of its decision making prerogatives on the conduct of the war to the civilians. (He included in this the military budget.) He predicted that given a repitition of the civilian ineptitude of the past, such a government would soon be toppled by a military coup. Loan freely admitted the retrogression this would represent for the nation and saw, as well, the impossible position in which this would place the US, but still felt the clash would be inevitable.
- 37. In the more likely event of a victory for General Ky, even with fair support in the legislature, politics in the new government would generally resemble the present situation. Most of the same problems would still exist, and the government would still be faced with the same vulnerabilities. The civilian-military relationship in general, and regionalism in particular, would continue to be the major stumbling blocks. Regardless of the extent of civilian participation in the new administration, there are certain to be strains and stresses in

executive-legislative relations. Compromise and political give and take are not firmly rooted in Vietnamese political life, and the disparity of power between the civilians and military tends to result in the civilians being over-sensitive to real or imagined faults of the military while some of the military leaders tend to take a rather cavalier attitude toward the civilians and the need to cooperate with them. Because of the fragile nature of the system, judgments concerning longer range developments must be highly tentative. There will be crises, any of which could prove to be the ultimate undoing of the whole system.

- The forthcoming national elections -- if they are held, result in a winner with a reasonable plurality (say, 40 percent or better of the total vote), and are reasonably free from suspicion of fraud -- will be an important political achievement and milestone. Even successful elections, however, will not insure continued political progress in South Vietnam. The stability and effectiveness of the present regime and any elected successor cannot be separated from the three principal determinants of Vietnamese political life: the conduct of the war, the development of representative national institutions, and the engagement of the bulk of the populace in a GVN-oriented political process. No Saigon government will be able to develop and sustain a viable national base without stimulating popular engagement or identification with its fortunes. No government will be able to stimulate such engagement without freeing itself from presently powerful commercial and landed interests and adopting a stance that, in Vietnamese terms, has genuinely revolutionary elements.
- 39. Ky himself has already begun paying articulate lip-service to this need for a "genuine revolution." Incorporation of such sentiments into his political platform and program may well help carry him to an honest victory. If he wins, however, he will have to match words with deeds if he and his colleagues are to generate any real political momentum or develop a real base of riceroots support.

- 40. The prognosis for political development in Vietnam is uncertain but the record of the past year is encouraging. Despite the obvious stresses, strains and potential pitfalls, the possibilities for genuine progress are there and, at the moment, events are moving in the right direction.
- Finally, it should be noted that the course of political evolution in South Vietnam will inevitably be influenced by the stance adopted by the US and the actions the US engages or does not engage in. A majority of the politically articulate and concerned elements in South Vietnam believes the US has and exercises substantial political influence (a view also widely held outside of Vietnam). Thus, the US will be presumed to be playing a direct role in Vietnamese political life even if it endeavors to remain aloof. At a minimum, US advice will be sought and US support solicited by most of the major contenders for electoral office. The US, in short, will inevitably be dealt a hand and its play of that hand will have a significant impact on the outcome of the game.

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V

South Vietnam: An Economic Appraisal

V

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# SOUTH VIETNAM: AN ECONOMIC APPRAISAL

## Summary and Conclusions

The economy of South Vietnam, which has been greatly distorted by the war, must further endure strains in 1967, as the demand for goods continues to exceed the supply. The gap could be substantially widened by increases in US forces larger than currently planned, except in the unlikely event that MACV can repeat its remarkable achievement of 1966, when spending by the US military was reduced while US troop strength increased.

Since mid-1965, the growth of demand in South Vietnam, fed by increasing expenditures on the part of both the Government of Vietnam (GVN) and the Allied military forces, has greatly outstripped the growth of local production. Overall industrial output has increased, but the production of major war-related commodities such as cement and textiles declined in 1966. Agricultural production has fallen, particularly the output of the major crops, rice and rubber. Imports have risen sharply, almost doubling in value in 1966, but not enough to prevent inflation. Port bottlenecks, especially in Saigon, inefficiency in domestic trade, and corruption and lack of strong economic leadership in the GVN, have all contributed to inflation.

In mid-1966, the GVN enacted a series of reforms, the most important of which was the devaluation of the piaster. These reforms generally relieved inflationary pressures during the remainder of the year. The growth of the money supply was slowed and prices held reasonably steady after rising, as was expected, immediately following the devaluation. Renewed pressures, however, began to appear late in the year and are still present.

Domestic output is not expected to increase significantly in 1967. The production of rice in the 1966/67 crop year is down by 10 percent, and

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imports of rice in 1967 are expected to equal about one-third of total domestic production. Imports of all goods may be lower than planned in 1967, if the present low rate of import licensing continues. Retail prices were originally expected to increase by 15 to 25 percent, but larger increases are likely. Prices in Saigon at the end of April were already 16 percent higher than at the beginning of the year, and rice prices were up about 50 percent. The growth of the money supply has also quickened. The pressure for substantial additional wage increases is already evident and will intensify as more workers demand increases to match the increase in the cost of living. Strenuous efforts by both the US and the government of South Vietnam will be necessary to hold inflationary pressures within acceptable bounds.

The Viet Cong continue to interdict internal transport and to exercise control over extensive rural areas, draining off manpower, commodities, and revenues that otherwise would be available to the government. The Viet Cong are able to mobilize from within South Vietnam most of the funds, rice, and other non-military supplies required to support the Communist insurgency.

### I. Introduction

The economy of South Vietnam is primarily agricultural, with roughly 85 percent of the population engaged in farming, fishing, or forestry. Most of the productive land is planted to rice and cultivation is heavily dependent on hand labor. Two-thirds of rice production comes from the delta. Agricultural activities account for about one-third of GNP while manufacturing and domestic trade together account for another third. The recent growth of GNP is difficult to determine. It is estimated that during 1959-62, the annual rate of real growth did not exceed 3.5 percent, and the rate has probably declined since then.

The country is poor in industrial resources. Manufacturing is on a small scale, mainly in industries that use agricultural materials and produce for the domestic consumer market, such as textiles, beverages, and tobacco. There are shortages of electric power, long-term capital, and skilled managerial and technical personnel. Another major factor hindering economic development is the inadequacy of land transportation. All transportation and communications networks are centered in Saigon, the major port and hub of economic activity. There are only about 12,500 miles of highways, half unsurfaced, and about 840 miles of railway, most of which are insecure at present. The operation of the most important transportation facility, the inland waterway system, of which 80 percent is located in the Mekong delta, is constantly threatened by military activities.

South Vietnam's dependence on imports is increasing. Some raw materials and foodstuffs are exported, but the country relies on imports for many basic commodities and manufactured consumer and capital goods. Imports from the US far exceed those from any other country, while France remains South Vietnam's largest customer.

## II. Recent Economic Developments

Agriculture, still the largest sector of the Vietnam economy, has suffered greatly from the war. movement of farm families to secure areas, the increased demand for labor in urban areas, low returns to the farmer, and the disruption of transport have lowered productivity and reduced the acreage under cultivation. Rice, by far the most important crop, has suffered the most. It is estimated that the output of paddy declined 7 percent in the 1965/66 crop year and a further 10 percent in the 1966/67 crop South Vietnam has moved from a substantial net export position in 1963 to an even greater net import position in 1966. Imports of rice in 1967 are expected to be around 870,000 tons, an amount equal to about one-third of rice production and probably to the bulk of urban requirements for rice. Table 1 shows production, imports, and exports of milled rice in South Vietnam for the years 1963-67.

<u>Table 1</u>

South Vietnam: Production, Exports,

And Imports of Milled Rice

1963-67\*

			Thousand	Metric	Tons
	1963	1964	1965	1966	1967**
Production	3,123	3,120	3,111	2,893	2,600
Exports	323	49	0	0	0
Imports	0	0	130	470	870

<sup>\*</sup>Data are for crop years ending in the year indicated.

\*\*Estimated.

South Vietnam has had similar though less serious problems with most of its other food and commercial The production of fish and meat has declined somewhat and has not been adequate to satisfy the demand in urban areas. The production of rubber, threefourths of which comes from French-owned plantations, has fallen because of insecurity, the interdiction of marketing routes, and the movement of laborers to better paying work. Once a major earner of foreign exchange, the export of rubber fell from 71,600 metric tons in 1964 to 43,600 in 1966. Earnings declined proportionately more, because of falling world prices. The production of vegetables, by contrast, probably has increased, but interdiction of the main transport route between Dalat and Saigon has kept market prices high.

South Vietnam's industry produces primarily light consumer goods and processed agricultural products and plays only a minor role in direct support of the war effort. Although overall industrial output grew during 1966, the production of some important commodities declined, including textiles and cement. The output of cotton yarn and cotton cloth declined by 30 percent and 10 percent, respectively. Almost all military and civilian clothing requirements of the Vietnamese are still met from indigenous production, but dependence on imports is increasing. Cement production, important to the large military and civil construction effort, was almost 30 percent less in 1966 than in 1965. The production of such goods as paper, beer, soft drinks, refined sugar, glass, and pharmaceuticals rose mainly in response to growing demand in Saigon. The production of electric power rose by 15 percent in 1966 but still did not meet all needs. The Saigon area accounted for 85 percent of the total.

The war has produced a great increase in demand in South Vietnam, and has drastically changed its composition. Personal expenditures by Free World forces and expenditures on the military construction program have required large quantities of labor and locally produced goods and services, thus pushing up their price. The increase in income among the

Vietnamese has created an additional demand for goods and services and put further pressure on prices. US and Government of Vietnam (GVN) rural development and pacification programs, and the military and civilian programs of the GVN, also involve large expenditures for already scarce labor and materials. GVN budgetary expenditures grew by 38 and 21 percent, respectively, in 1965 and 1966. The budget for 1967 calls for expenditures of 75 billion piasters, about 20 percent more than in 1966, but this total is likely to be exceeded.

In the face of rapidly rising demand and declines or stagnation in the output of many important products, South Vietnam has required massive imports of commodities. US-financed imports, not including military aid, totaled \$414 million in 1966 (based on import licensing) and were equivalent to 23 percent of South Vietnam's estimated GNP of \$1.8 billion. Total commercial imports, including GVN-financed imports, amounted to about one-third of GNP. imports of this magnitude did not meet the demand. Imports were limited not by lack of funds, but principally by the inadequacies of South Vietnam's ports and of its transport and distribution systems. These inadequacies were compounded by the interdiction of truck transport and the disruption of rail services by the Viet Cong, which restricted the movement of goods out of the ports to ultimate consumers.

# III. Principal Economic Problems

### A. Inflation

The enormous increase in demand in a wardisrupted economy was bound to bring considerable inflation. Compounding the problem have been port bottlenecks, the absence of strong economic leadership in Saigon, and rural insecurity, which are discussed below. By mid-1966, inflation had reached critical proportions. Compared with January 1965, retail prices in the capital were up almost 75 percent, and the money supply had nearly doubled.

On 18 June 1966 the GVN adopted a series of economic reforms designed to control inflation and to reduce the high profits being made by importers. These reforms included increases in imports and taxes and the devaluation of the piaster by 50 percent. At the same time, the GVN was forced to grant 20 to 30 percent wage increases to civil servants and to the military who had suffered declines in real income as a result of rising prices. The devaluation brought a swift and substantial improvement in the government's financial position. Customs receipts and piaster counterpart funds\* rose sharply, and GVN borrowing from the national bank, which had been the main source of monetary expansion, was nearly eliminated.

The economic reforms of June 1966 generally relieved inflationary pressures during the remainder of 1966. As was expected, retail prices rose in the period immediately following the devaluation and then held reasonably steady until late in the year. At the end of December, prices in Saigon were about 25 percent above the level prevailing just prior to the devaluation but only three percent above the average level during the two months following devaluation. Some success was achieved in slowing the growth of the money supply, which rose by six percent during the last half of 1966 compared with

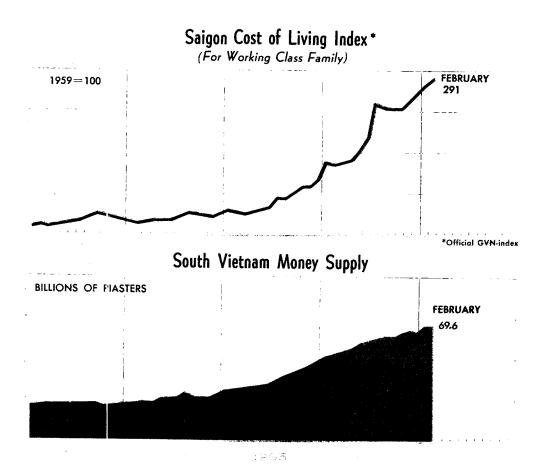
<sup>\*</sup>Counterpart funds are generated by the commercial import program financed by the Agency for International Development and are deposited in a special account for use within South Vietnam.

29 percent during the first half. Moreover, confidence in the piaster was restored, and the black market rates for dollars and gold held fairly steady at levels well below those prevailing in June and July.

It became necessary, however, during the last half of 1966 to carefully control monetary expansion in the private sector. The pressure for higher wages increased throughout the economy. As a result of the rising level of imports and the price effects of the devaluation, importers were forced to turn to the commercial banks for financing. Private bank credit more than doubled during the last half of 1966, as the source of monetary expansion was shifted from the government to the private sector of the economy.

Inflationary pressure has picked up considerably in 1967 as a result of increasing wages and accelerating military and civilian spending, coupled with declining domestic production. There may also have been a shortfall in planned imports. During the first two months of 1967 the growth of the money supply equaled that during the last six months of 1966. The cost of living (including rent) for working class families in Saigon began to move up again late in 1966 and continued to rise through the first two months of this year, the latest period for which data are available. From the beginning of January through the end of April the USAID weekly index of retail prices in Saigon rose by 16 percent; the price of rice consumed by the working class went up by 53 percent. Prices were relatively stable in April, and the black market rate for dollars and gold declined substantially, but the prospects for continued price stability are not good. The accompanying charts show the cost of living index for Saigon and the size of the money supply from 1963 through February 1967.

The inflation since mid-1965 has affected the real incomes of various groups of the population differently. Although current wage data are not available for any group, the real income of South Vietnam's military personnel and civil servants has almost certainly not increased and has probably



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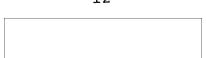
declined. Since their wages were increased in June the cost of living has risen while wages for GVN employees have remained almost stationary. Real incomes in the private sector, by contrast, have made rapid gains, especially in construction and services. The impact of inflation on urban dwellers has been cushioned by the increase in income per family produced by more family members taking jobs, but this trend has probably reached its limit. The real income of farmers probably declined until mid-1966, but has risen somewhat since then because higher agricultural prices have more than offset recent increases in consumer prices in the provinces.

Inflation has significant implications for political stability in South Vietnam. The effects of inflation probably fall most heavily on the urban lower and middle classes, who are the most likely sources of protest in any event. Although there has been no overt action against the government over economic issues, serious inflationary pressures, and especially higher rice prices, could cause trouble. The decline in morale and the rise in corruption among underpaid government workers are well known. Moreover, during the next few months the country may well be faced with a series of strikes as the current pressure for wage increases intensifies. More broadly, inflation has increased the dissatisfaction of the population with its government, and has provided the Viet Cong a ready-made propaganda issue to use against the GVN and the US.

# B. Congestion at the Port of Saigon

In order to combat inflation, the US and the GVN have attempted to absorb excess purchasing power by flooding the market with imported goods. Total commercial imports increased from \$357 million in 1965 to an estimated \$600 million in 1966. Ninety percent of these goods, as well as sizable amounts of military cargo, come through the port of Saigon. Congestion at the port has been a major problem. Although some relief is in sight, congestion will probably continue to be a problem.

The congestion stems not only from a lack of physical facilities but also from the unwillingness



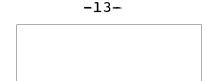
or inability of private importers to remove their cargo from the port area. A cost-price squeeze resulting from the June devaluation and the general expectation that prices would rise reduced the incentive for importers to move their goods to market. Although the GVN adopted measures in mid-1966 to force removal, almost nothing was done to enforce them in spite of insistent prodding by US officials. The result has been a shortage of space for new cargoes being offloaded, a proliferation of barges holding goods in the Saigon River, and a backlog of ships waiting off Vung Tau and elsewhere to move up to Saigon.

There is some hope for improvement in the situation this year because the physical capacity of the port of Saigon has been greatly enlarged and US port experts estimate that during 1967 port capacity will exceed expected cargo arrivals. The GVN adopted several remedial measures in late March, including the use of additional out-of-port storage areas for unclaimed import goods, and is considering others—for example, financial arrangements to permit importers to borrow funds for paying customs duties. It remains to be seen, however, how effective the new measures will be.

#### C. Rural Insecurity

The lack of security in many rural areas has disrupted economic activity and contributed greatly to inflation, by restricting the flow of goods while stimulating the movement of people from farm to city. The maintenance of checkpoints by the Viet Cong and acts of sabotage on roads, waterways, and the rail system have sharply limited freedom of movement, including that of farm produce to urban markets and of urban products and imports to the countryside. Goods that are permitted to flow do so only after the payment of heavy taxes to the Viet Cong. Heavy damage has been inflicted on all forms of surface transportation.

Persistent insecurity in rural areas, Allied military operations, and the growth of non-farm economic opportunities have all stimulated a large migration to urban areas in the last year and a half.



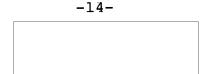
According to GVN sources, about 1.8 million refugees have come from rural areas since January 1964, of which more than 700,000 came in 1966 and 110,000 in January and February of 1967. The total migration is considerably greater than this, because many of those moving are not counted as refugees. If the migration continues, as seems likely, there will be a continuing adverse effect upon agricultural production and a further increase in the urban demand for food.

# D. Leadership Problems

Efforts to halt inflation and to adopt and carry out suitable economic policies have been greatly hampered by the lack of responsible and decisive economic leadership in the GVN. Prime Minister Ky takes little interest in economic affairs except in times of crisis, preferring to leave such matters in the hands of various cabinet members.

The chief economic post, that of Minister of Economy and Finance, has changed hands three times since February 1966 and was vacant from November 1966 to January 1967. Although responsibility for economic matters is fragmented among a number of ministries, a competent and decisive Minister of Economy and Finance with the full confidence of Ky could probably overcome this problem to a great extent. Such a man would certainly be welcomed by US Mission officials, who have had difficulty finding anyone who will make a firm decision and act on it. For example, the rice crisis of March 1967, when stocks were at an all-time low and prices soared, was greatly aggravated by the inability of GVN officials to make adequate and timely arrangements for the import of rice, which the US had been urging since December.

The appointment in mid-March of Governor Hanh of the National Bank of Vietnam as the new Minister of Economy and Finance should be a major forward step in providing economic leadership in the GVN, if the Governor can be persuaded to remain in the post longer than the three months to which he has reportedly agreed. Hanh has long been a major



force in GVN economic circles, but has previously declined to accept a cabinet position. He is reputed to be an able administrator and, although strongminded, has worked well with US officials in the past. Several knowledgeable assistants came into office with him, and US officials hope for greater efficiency in the management and planning of economic affairs in the future.

# E. Rice Policy

The basic economic problems of South Vietnam -inflation, rural insecurity, and the lack of strong
leadership -- have all contributed to the disruption
of rice production and distribution. The output of
rice has declined since 1964 while consumption has
increased. South Vietnam, which exported 323,000
metric tons of rice in 1963, is expected to import
about 870,000 metric tons in 1967, mostly from the US.

The GVN has failed to establish a rice policy that would give adequate price incentives to the farmers or provide them with the fertilizer needed to increase yields. During the last few months the paddy price received by the farmer has increased, but this was the result of a decline in rice stocks and high retail prices for rice, rather than of action by the GVN. The GVN and the US signed an agreement in March for the import of fertilizer which called for the adoption of a new system of distribution. Judging by past experience, however, it is far from certain that the imported fertilizer will actually be made available to rice farmers at a price they can afford.

The delivery of rice from the delta to Saigon, from where it is distributed to rice deficit areas, has declined more rapidly than production. Part of the reason is interdiction and taxation by the VC. In addition, the GVN heavily regulates this traffic, by prescribing routes and using a series of checkpoints, mainly as a means of tax collection. These checkpoints provide an ideal setup for corrupt officials. The result of the interference from both sides is to reduce the incentive of the provincial rice merchants to deliver rice to government stockpiles in Saigon and also to drive up the price of rice that reaches the retail market.

Large-scale military activity in the delta is likely to have a short-term negative effect on rice production, but to the extent that operations are designed to secure transportation routes throughout the area, military activity could be beneficial. Higher yields are essential, because the area sown to rice cannot be enlarged greatly until pacification is well along. Higher yields, in turn, depend on the application of greater quantities of fertilizer.

# IV. Prospects for Economic Stability

Prospects for stability are poor, because demand will almost certainly continue to outpace supply, with a resulting upward pressure on prices. military operations of both sides will have an increasingly disruptive effect on economic activity, especially if force levels are raised. Moreover, the government's failure to accept responsibility for making and carrying out realistic economic policies will hamper efforts to curb renewed inflationary pressures. In view of the fact that the 1967 stabilization plan proposed by the US, which contained tight ceilings on expenditures and relatively optimistic goals for revenues, was expected to result in price increases estimated at 15 to 25 percent, it seems probable that actual price increases in 1967 will be greater.

Persistent US attempts to obtain GVN agreement to an economic stabilization plan for 1967 have failed, partly because of GVN unwillingness to accept a US request that the GVN spend a larger amount of its own growing foreign exchange reserves during Proposed GVN budgetary targets would have meant a deficit amounting to about one-fourth of total expenditures in 1967, compared with one-half in 1965 and a planned one-third in 1966. Nonetheless, US officials report that the GVN has not exercised the budgetary restraint it had initially There has also been a proliferation of pledged. extra-budgetary accounts, causing serious concern that GVN expenditures will substantially exceed the amounts originally planned.

A further cause for concern is the low level of import licensing for the first three months of 1967. Although US officials expect that licensing will gain momentum as goods clear more rapidly through the port and stocks of goods on hand are used up, even a temporary decline in imports below planned levels would not only reduce government revenues but also result in a shortage of goods later in the year.

The most recent US stabilization plan for 1967 provides for some increase in US troop strength in

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Should a more sizable increase in South Vietnam. force levels occur this year, US military spending would probably also rise beyond planned levels. During the last half of 1966, MACV succeeded in reducing spending while troop strength was increasing and prices were generally rising. It is not certain, however, that this remarkable achievement can be repeated. The US stabilization plan projects a gap between demand and supply of some 20 billion piasters. An increase of say 100,000 troops over the planned level could increase the gap by as much as 50 percent. Excess demand of this magnitude would probably lead to higher prices, because domestic output is not expected to increase significantly, imports may be lower than planned, and the MACV miracle is unlikely to be repeated.

## V. The Viet Cong Economy

The Viet Cong have mobilized from within South Vietnam the bulk of the funds and the nonmilitary supplies needed to support the Communist insurgency. Taxation, self-initiated economic activities, seizures, and clandestine operations are the principal means for obtaining the necessary financial and material resources. The Viet Cong exercises considerable control over the production, processing, and movement of many commodities essential to South Vietnam's economy, including rice, salt, timber, charcoal, and rubber, and have limited the availability of these goods and caused their prices to increase. Viet Cong economic activities, carried out both overtly and through coercion, bribery, and clandestine operations, combined with military operations against economic targets, have denied considerable financial and material resources to the government.

Taxation is by far the most important source of Viet Cong revenues. Viet Cong tax revenues are estimated to have been within the range of 2.0 billion to 2.9 billion piasters for 1965, compared with GVN internal tax revenues of about 9.4 billion piasters. Agricultural taxation remains the most important single source of Viet Cong tax receipts, accounting for about 80 percent of the total. The remaining 20 percent is collected from taxes on transportation, business, and commercial activities.

The collection of revenues is clearly dependent on continuing Viet Cong access to or control over the rural population. During 1966 and early 1967, the Viet Cong have tried to expand the base of their tax collection activities in order to meet their increasing financial requirements. Tentative evidence indicates that they have been forced to use more coercive measures, and as a result, peasant dissatisfaction with the Viet Cong has increased. There is no indication, however, that this dissatisfaction has reached a level great enough to impair significantly the continued collection of funds and non-military supplies.

The Viet Cong are nearly self-sufficient with regard to rice and most other non-military supplies. They currently exercise predominant control over roughly 25 to 30 percent of the area cultivated to rice in South Vietnam. The annual consumption of rice by Communist regular forces in South Vietnam theoretically would be covered by an average tax of about 3.5 percent on total production in the areas controlled by the Viet Cong. The Viet Cong actually tax rice production at rates ranging from 10 to 15 percent, which yields supplies substantially greater than consumption requirements. The surplus is used to build up reserves for the increasing number of Communist troops, to replenish stocks destroyed by Free World military operations, to help feed the large number of non-main force troops, and to cover the purchase of other food and non-food commodities.

Clandestine business operations by the Viet Cong, and the involvement of legitimate enterprises, wittingly or unwittingly, in Viet Cong procurement operations, are common in many district and provincial capitals. These operations yield essential indigenous and imported supplies for the Viet Cong from areas controlled by the central government. At local levels, the Viet Cong use the civilian population under its control to make discreet purchases of required goods.

At present, the population under Viet Cong control and in contested areas is estimated at 40 percent of South Vietnam's population (see Table 2). This percentage represents a slight decline since January 1966. There will probably be a further decline during 1967, as a result of military operations, a more effective implementation of the Revolutionary Development program, and increases in defections and desertions among the Viet Cong. An increasing number of captured enemy documents indicate that, during 1966 and early 1967, more effective Free World/GVN military operations have placed a greater strain on the Viet Cong's ability to maintain adequate food supplies and to recruit manpower for their military units and civilian labor force.

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Table 2

Population of South Vietnam, by Controlled Area  $\underline{a}/$  1 January 1967

	Total		Controlled by GVN		Contested		Controlled by Viet Cong	
	Million Persons	Percent of Population	Million Persons	Percent of Population	Million Persons	Percent of Population	Million Persons	Percent of Population
Total	16.52	100.0	9.91	60.0	3.85	23.3	2.76	16.7
I Corps	2.73	16.5	0.97	35.5	1.11	40.8	0.65	23.7
II Corps	2.85	17.3	1.41	49.6	1.00	35.0	0.44	15.3
III Corps	1.93	11.7	1.17	60.5	0.41	21.1	0.35	18.4
IV Corps	5.71	34.6	3.16	55.4	1.24	21.7	1.31	22.9
Capital Special Zone <u>b</u> /	3.30	20.0	3.20	97.1	0.10	2.9	Negl. <u>c</u> /	/ Negl.

Total population figure from US Mission in Vietnam and percentage distribution from MACV population and area control data. Because of rounding, components may not add to the totals shown.

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b. Including Gia Dinh Province and the cities of Saigon and Cholon.c. Less than 1,500 persons.

VI

The Pacification Program

VI

# THE PACIFICATION PROGRAM

## Summary

The magnitude of the task ahead -- and the extent of progress to date -- is reflected in statistics derived from the new Hamlet Evaluation system implemented in January. Tentative results of this new system reveal that of 12,000 hamlets in South Vietnam, roughly one-third are controlled by the Viet Cong, and government influence is marginal to negligible in another Real progress toward pacification and nation-building goals exists in only 14 percent of the hamlets, and only fair progress is reflected in another 25 percent. These figures include about 500 hamlets added to the "secure" category last year. About 1,100 hamlets are scheduled for development by RD teams this year, and a few hundred others may have their status improved through ad hoc local arrangements. 500 RD and Montagnard teams now deployed in the field have been directed to take a more methodical, deliberate approach to their tasks this year in order to avoid some of the shortcomings of last year's over-hasty operations.

Even these modest goals for 1967 may represent an overextension of available resources in the face of Viet Cong counterpressure. The Communists have reinforced their guerrilla potential in rural areas, and are mounting an intensive attack on RD teams and administrative and population centers in the countryside. On the whole, the teams have held up fairly well, although replacing their heavy losses will impose a drain on the planned output of new teams from the training center at Vung Tau.

The Viet Cong campaign has revealed serious weaknesses in the security of pacified areas. Although more than 50 ARVN battalions have been committed to direct support of pacification, their

performance has been spotty, and they have not been able to check the Viet Cong guerrilla campaign. Only one-third of the Popular and Regional Forces are committed to direct support of pacification, and their efforts have not been effectively coordinated with RD activities; our Mission is reviewing local arrangements to improve this situation. The National Police generally lack the strength to carry out effective countersubversion activities in the villages and hamlets, and the Police Field Force is generally being misused in static security functions rather than in direct support of RD as reflected in the intensity of the enemy's counterthrust.

In sum, little progress has been made in pacification so far this year and prospects for significant improvement in the near term future are not very bright. If the Vietnamese Armed Forces can be effectively directed to provide requisite local security, however, the longer term prospects will be favorable.

## Present: Status

Little progress has been made in pacification so far this year, and prospects for significant improvement in the near-term future are not very bright. Planning delays, conceptal changes, new command, administrative and procedural arrangements, and preoccupation of GVN officials with other tasks have inhibited progress. Moreover, the intensive Viet Cong campaign of guerrilla pressure since the first of the year has set back the program in some provinces, and has revealed generally inadequate security arrangements elsewhere. There have been improvements in terms of bureaucratic streamlining (particularly on the US side), and an ever-broadening understanding of the importance of the program and its concepts and techniques. But at best we are still laying the basis for an effective program which -- even with a respite from Viet Cong pressure -- offers only limited prospects for attaining real momentum before the end of the year. If the RVNAF can be effectively geared to provide the requisite security, however, the conceptual base and organizational tools which have been evolved will enable us to gain momentum over the long term.

## Nature of the Problem

2. By its very nature, pacification is a very complex, slow-moving program — one in which history has amply demonstrated that haste most decidely leads to waste. The fundamental aim is political: aligning the people against the Viet Cong and enganging them in support of the government. To achieve this aim requires close integration of a wide variety of political, psychological, economic, social, military and paramilitary programs conducted jointly by a number of GVN and US agencies. The effective meshing of such programs would sorely tax the most efficient of organizations, requiring as it does the comprehension of sophisticated concepts and a universal sense of cooperation, confidence, and dedication. The operational milieu

of Vietnam has thus far offered few of these attributes.

Pacification involves a contest between the opposing political mechanisms of the Viet Cong and the GVN, each supported by military and paramilitary forces whose function is to protect and support their respective political structure while destroying that of the opposition. The security problem for the GVN is compounded by the essentially clandestine and subversive character of the Viet Cong's mechanism -- the Communist party apparatus -and its reliance on terrorism. The Communist apparatus, including its guerrilla and local force support elements, is flexible and mobile. It evades military operations by refusing battle and dispersing or temporarily going underground; it presents few fixed targets. The government's political apparatus and its support elements, on the other hand, operate overtly with fixed facilities. It is by nature less flexible and hence presents vulnerable targets. The establishment of a secure environment for the government's political mechanism -- which is a sine qua non of the pacification effort -- must therefore be addressed on two fronts: security against military attack, and security from subversion and terrorism.

#### Security Aspects

4. Security against local military pressure is a function of counter-force operations aimed at neutralizing or destroying those Viet Cong elements --local force and guerrilla units -- whose primary mission is to disrupt Revolutionary Development activity and to protect the Viet Cong political apparatus. Protecting pacified areas against attack requires more than passive or "screening" action. While saturation of pacified areas by friendly patrol and ambush activities can contribute to the task, it requires a disproportionate number of security forces, and leaves the enemy free to exploit patterns of defensive activity. Only by aggressive combat action aimed at eliminating those

enemy units which pose the most direct threat can pacified areas remain secured. Destruction of the Viet Cong's "concentrated units" operating at village and district levels will eliminate this threat, and deprive larger units of the local support they require to mount operations against the RD program.

5. Security against subversion is essentially a function of political actions aimed at aligning the people with the GVN. Military and political security are complimentary, since attainment of popular support will enhance the prospects for obtaining information on impending Viet Cong military actions. Countersubversion potential is developed through intelligence activities, including census grievance operations, police informant and agent operations, and more importantly by organizing the populace into various groups which engage in activities contributing to the self-defense of the hamlet.

#### Concepts

Current concepts for pacification are reflecting in the planning documents which divide the process into three phases: the military offensive, securing (or Revolutionary Development), and development (or nation-building). In the first phase, regular military forces conduct operations to clear an area of enemy main force units larger than company in size. In the second phase Revolutionary Development teams, normally comprising 59 men, are introduced into cleared hamlets to identify and eliminate Viet Cong cadre, re-establish effective hamlet government, organize the populace for selfdefense, engage in immediate impact civic action projects based on the "self-help" principle, and stimulate political support for the GVN. During this phase, Vietnamese military and paramilitary forces are expected to provide security for the In the third phase, further civil programs are undertaken to improve social and economic standards in the hamlet. During this phase, responsibility for security is expected to pass to the National Police when feasible. These phases are to be carried out essentially in terms of the

"oil spot" concept, working gradually outward from secured and developed areas into insecure areas. The distinction between the second and third phases has been muted during the planning cycle for 1967, so that "developmental" or "nation-building" tasks will be undertaken more or less simultaneously with the "securing" or "Revolutionary Development" task.

The current program represents a substantial improvement over those in the past, drawing as it does the best features of most of them. program enjoys unusually perceptive, dynamic and aggressive leadership on the GVN side. In the short year since he assumed responsibility for the program, General Thang has focussed on developing an awareness of the concepts by Vietnamese officials at all levels. The program has attained status and its importance is being increasingly acknowledged. Nevertheless, there are some areas for concern. The fundamental importance of the essentially political objective is not fully accepted by many responsible officials, both Vietnamese and American. Another danger is the tendency to inhibit flexibility in selecting areas for local pacification emphasis by insisting on rigid adherence to priorities established by successive layers of authority. Current priorities generally seem to be based more on exclusively strategic military considerations than on political feasibility or desirability, i.e., the political fertility of the human terrain.

#### GVN Weaknesses

8. The Vietnamese administrative structure has generally been very weak, especially in terms of its ability to execute programs as complex as pacification and nation-building. The entire administrative apparatus suffers from an inadequate reservoir of trained and dedicated talent. Inefficient methods have compounded the inadequacies of outmoded laws and regulations. The military establishment is only slightly less inefficient than the civil structure. Both have been submerged

under a plethora of complicated, interrelated projects with competing priorities which would tax the capabilities of a relatively efficient organization. Competing and overlapping chains of command, between and within the civil and military establishments, have further reduced efficiency. Vietnamese administration is characterized by the issuance of decrees and policies which are often ignored in the field. With the assumption of power by military officers at most echelons, lower priorities have been accorded to civil and political tasks. The entire structure is afflicted with rigidity, and is generally unresponsive to pressures from below and direction from above.

## The 1967 Plan

- The 1967 Provincial Pacification Plans reflected the weaknesses in the Vietnamese administrative and military structures. The GVN's Ministry of Revolutionary Development, which is charged with overall pacification responsibility revised, as necessary, the provincial plans emphasizing the themes "consolidation" and "quality rather than quantity" in developing the 1967 national pacification program. A major change in approach for 1967 was made when ARVN was assigned the task of neutralizing and destroying the capabilities of local Viet Cong forces to disrupt Revolutionary Development activities. Apparently recognizing the limitations of the GVN administrative and military structure the nationbuilding or third phase of pacification has been combined with the Revolutionary Development phase where it has been programmed, but in general in 1967 the essential nation-building activities and followup of Revolutionary Development are not included in the pacification plan. The Ministry of Revolutionary Development and OCO are alert to this limitation and are working with the other ministries to initiate nation-building programs through the village structure.
- 10. The magnitude of the task ahead -- and the extent of progress to date -- is reflected in statistics derived from the new Hamlet Evaluation system implemented in January. Tentative results of this

new system reveal that of 12,000 hamlets in South Vietnam, roughly one third are controlled by the Viet Cong, and government influence is marginal to negligible in another third. Real progress toward pacification and nation-building goals exists in only 14 percent of the hamlets, and only fair progress is reflected in another 25 percent. These figures include about 500 hamlets added to the "secure" category last year. About 1,100 hamlets are scheduled for development by RD teams this year, and a few hundred others may have their status improved through ad hoc local arrangements. The 500 RD and Montagnard teams now deployed in the field have been directed to take a more methodical, deliberate approach to their tasks this year in order to avoid some of the shortcomings of last year's over-hasty operations.

Even these modest goals for 1967 may represent an overextension of available resources in the face of Viet Cong counterpressure. The Communists have reinforced their guerrilla potential in rural areas, and are mounting an intensive attack on RD teams and administrative and population centers in the countryside. On the whole, the teams have held up fairly well, although replacing their heavy losses will impose a drain on the planned output of new teams from the training center at Vung Tau. Viet Cong campaign has revealed serious weaknesses in the security of pacified areas. Although more than 50 ARVN battalions have been committed to direct support of pacification, their performance has been spotty, and they have not been able to check the Viet Cong guerrilla campaign. Only one third of the Popular and Regional Forces are committed to direct support of pacification, and their efforts have not been effectively coordinated with RD activities; our Mission is reviewing local arrangements to improve this situation. The National Police generally lack the strength to carry out effective countersubversion activities in the villages and hamlets, and the Police Field Force is generally being misused in static security functions rather than in direct support of RD.

## Prospects

12. While the short-term outlook is indeed somber, prospects over the long-term are not so bleak. We have come a long way during the past few years in developing our understanding of the problem, and in devising the concepts, techniques and organizational tools necessary to a successful program. That our endeavors thus far have been properly oriented and successfully implemented is reflected in the intensity of the enemy's counterthrust. If the RVNAF can be effectively engaged in providing the requisite security, the other problems can be surmounted through evolution, and the prospects for long-term progress will be favorable.

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VII

#### NORTH VIETNAMESE INTENTIONS IN REGARD TO THE WAR

#### Summary

The Vietnamese Communist leadership clearly retains its high level of motivation and displays every intention of continuing the war. Ho Chi Minh and his lieutenants are convinced that they can outlast the US in Vietnam and have programmed their tactics accordingly.

It is unlikely that the Communists will attempt to launch a direct, conventional ground attack across the Demilitarized Zone or that they will commit their assets in South Vietnam to one large campaign at any time in the near future. They are more likely to continue along basically the same lines as at present, attempting to wage a grinding war of attrition, which, they believe, will sooner or later force major concessions on the part of the US. To this end, they will probably continue to infiltrate sufficient replacement personnel to keep existing units at combat effective levels and they will also move additional units to South Vietnam as needed to counter the introduction of more allied units.

There seems little chance in the foreseeable future that Hanoi will seek the commitment of large numbers of foreign combat troops for South Vietnam. It is always possible that, for propaganda purposes, an "international brigade" will be formed and sent South but only the Chinese Communists have troops readily available in sufficient strength to pose an actual threat. Hanoi probably does not believe that foreign volunteers will be needed in South Vietnam and apparently is not convinced the Chinese Communists would make troops available to fight in South Vietnam even if they were needed.

Judging f	rom the	comments_	on	Hanoi's	military
plans for the	next few	months			

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the North Vietnamese believe that they can initiate a local offensive in the northern half of South Viet-Their experience over the past several years has undoubtedly confirmed their belief that the allied forces, with the men now in South Vietnam or with even a considerably expanded force, will not be able to drive the Communists from the field. They seem to believe that they can continue to fight as they have over the past several years, taking heavy casualties but inflicting increasing casualties on the US in return. Captured documents reveal that the North Vietnamese have concluded that a military stalemate will eventually result in a political victory for them because they believe the US will not be able to tolerate such a stalemate as long as they can.

In North Vietnam, Hanoi has already called in substantial foreign personnel to aid in the air defense system. Chinese Communist antiaircraft artillery units, North Korean jet fighter pilots, and Soviet surface-to-air missile operators have all been active thus far against US aircraft. In addition, on several occasions since late April Chinese Communist jet fighters have attempted to engage US aircraft operating over northeast North Vietnam. It is probable that Hanoi will call for further help in this field as the bombings do more and more damage and as North Vietnamese defense efforts prove inadequate.

The North Vietnamese, however, are unlikely to call for foreign ground troops unless a US invasion should threaten the heartland of the DRV, the Red River Delta. There is a possibility that Hanoi would ask for Chinese troops to man defensive positions in the strategic delta area if the bulk of the North Vietnamese Army had to be committed in the southern area of the DRV. On balance, however, it is more likely that Hanoi would not deplete its own forces in the delta for operations farther south. In numerous articles over the past several years, North Vietnamese military leaders have discussed the possibility of a US invasion and have laid out the general outlines of

the DRV response. The plan calls for the North Vietnamese to wage almost the same type of war that is
being fought in the South, a mixture of conventional
and guerrilla warfare. They belive that such tactics,
together with the war in the South, would force the
US to commit more men to the war than it would consider
acceptable.

Should such tactics fail, the North Vietnamese leaders would undoubtedly call for the Chinese Communists to come to their aid. Despite the age-old antipathy of the Vietnamese for the Chinese, Hanoi's actions thus far in the war indicate that the present leaders would much prefer to see the Chinese enter North Vietnam in force than to suffer defeat by the When faced in early 1965 with the problem of whether to call for Chinese Communist help to offset US air strikes or to negotiate an end to the war as the US requested, Hanoi decided to invite the Chinese to send logistic and antiaircraft troops to North Vietnam to meet the attacks. Faced with the reality of an invasion by the US, there is little doubt that the North Vietnamese would appeal to the Chinese again.

#### North Vietnam: Motivation and Intentions

- 1. The decision as to whether or not the Vietnamese Communists will persist in the war in South
  Vietnam rests with the 11 men who form the politburo
  of the Vietnam Workers Party. The determination shown
  by this small group in pursuing a war that has brought
  great destruction to North Vietnam as well as heavy
  losses to the ranks of Communists and their supporters
  in South Vietnam stems largely from two factors.
- 2. One is their complete and militant dedication to the precepts of Communism, including the most doctrinaire revolutionary aspects of Communist theory. In numerous public statements, the official party journals and leading party spokesmen have made it clear that the Vietnam Workers Party (VWP) rejects the Khrushchevian notion of "peaceful coexistence" as far as South Vietnam is concerned and that it opposes the "modern revisionist" advice that political methods are preferable to violent means in "wars of liberation." In the area of Communist ideology, the VWP has left no room for doubt that it is far closer in viewpoint to the philosophy of the Chinese Communists than to that of the USSR.
- 3. Ho Chi Minh and his top lieutenants are battle-hardened revolutionaries who fought and defeated the French. They are convinced that their success was due in large measure to the fact that they correctly interpreted and properly applied Communist ideology to the situation in Vietnam. These men genuinely believe that the "immutable" laws of history, as interpreted by Marx, Engels, Lenin, and Mao, have assigned them the duty--and the glory--of leading the Vietnamese people in a struggle for independence. They also see themselves as the battle front commanders in the world-wide struggle against the "number one imperialist," the US.
- 4. The second chief factor influencing Hanoi's determination is a strong spirit of nationalism, which finds its expression in bitter anti-Americanism. Ho and his aides are thoroughly convinced that the US deliberately set out to undermine the 1954 Geneva agreements and the provision therein for national



elections in Vietnam in July 1956. The VWP hierarchy remains convinced that had those elections been held, Vietnam today would be united under a government headed by Ho Chi Minh and the Vietnam Workers Party. They lay at the feet of the US the entire blame for the situation which developed after 1954, including the success of Ngo Dinh Diem in creating a viable government and particularly his increasingly effective campaign to roll up the Communist cadre left behind in the South after 1954.

The Vietnamese Communist leaders believe deeply that they were the victims of US duplicity in the years after 1954. They believe that they were fully justified in turning to the use of force in order to overthrow Diem and unify the country after the repeated refusal between 1954 and 1956, and even later, of Diem to respond to North Vietnamese offers to hold meetings preparatory to national elections. In their eyes, they had little choice but to take up arms once again against what they termed "My/Diem,' roughly translated as "US-Diem." They do not see themselves as aggressors attempting to seize control of a neighbor nation but rather as the legitimate authorities of a national government denied control over half their country by a foreign invader. initiation of US air strikes against North Vietnam in February 1965 and the introduction of US combat forces into South Vietnam in 1965 further inflamed the Hanoi leaders' feelings and reinforced their view that the US was bent on denying them their rightful place at the head of a unified Vietnam.

#### Current Attitudes

6. That the North Vietnamese leaders are still fanatically devoted to their goal is indicated by all the current evidence on the subject. Recently captured North Vietnamese soldiers from the fighting near Khe Sanh in western Quang Tri Province, for example, state that three additional regiments from the 325th Division have moved across the Demilitarized Zone since March. The continued dispatch by North Vietnam of combat units to South Vietnam indicates that, at least over the next few months, Hanoi intends to stay in the fight. Moreover, the

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increased use in northern Quang Tri and the DMZ of Communist mortars and artillery, coupled with plausible reports that the Soviet Union has agreed to provide more artillery, adds further evidence of an intention to continue the fight.

7. Other similar indications include the early April trip to Moscow by DRV Premier Pham Van Dong during which he reportedly discussed additional Soviet military aid. The appearance of Chinese Communist jet fighters over northeast North Vietnam on several occasions beginning on 24 April and their efforts to engage US aircraft in that area—the first such actions since September 1966—suggest a North Vietnamese willingness to continue to rely heavily on Peking rather than agree to negotiate.

The negative results of US efforts to arrange peace talks with Hanoi further indicate. Hanoi's intention to keep the war going. The North Vietnamese have consistently stuck to their refusal to offer some quid pro quo in return for a cessation of the bombings. Hanoi's release on 21 March of the exchange of letters between President Johnson and Ho Chi Minh was the act of a nation which had decided, at least for the time being, to reject the role of secret diplomacy in regard to a negotiated settle-Captured enemy documents giving ment of the war. details of Hanoi's attitude toward negotiations disclose that the North Vietnamese regard them primarily as a tactic to be used in conjunction with continued warfare in order to extract maximum concessions from the US. There is nothing in the documents to suggest that the North Vietnamese entertain any notion of withdrawing from South Vietnam as a result of negotiations.

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- 9. It is, perhaps, inherent in the very fanaticism of the Vietnamese Communist leadership that they should prefer to make the war a test of wills. They are convinced that their motivation is stronger than that of the Americans. Thus, they have programmed their effort to take over South Vietnam to be a grinding war of attrition. They believe that a military stalemate in South Vietnam will suffice for their purpose, whereas, in Hanoi's assessment, the US must either win quickly or settle on terms favorable to the Communists.
- 10. Given this long range strategy, it appears unlikely that the North Vietnamese intend to make any dramatic military move such as an overt invasion across the DMZ in the near future. They are more likely to continue the same basic approach as in the past, infiltrating sufficient replacement personnel to keep existing units at combat level and introducing additional combat units to the South as needed to maintain or perhaps gradually exceed a relative balance with US and allied forces.

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Communist plans for the upcoming year include a major military campaign in the western highlands of Kontum and Pleiku. This is to be coordinated with two other moves in the northern half of the country. One will be a thrust in northern Quang Tri and Thua Thien and the other will be in the coastal areas of Binh Dinh and Phu Yen. The North Vietnamese must realize that their successes, if any, in these campaigns will be relatively modest. They will probably be satisfied if these campaigns result in heavy US casualties, even at the cost of heavier Communist losses.

12. Captured documents, as well as articles in the press by North Vietnamese military leaders, disclose that there has been considerable concern among Vietnamese Communist leaders over the way the war in South Vietnam has been going. This concern has been manifested in a lengthy debate among the Communist military leaders over the proper military tactics to be used against US forces in South Vietnam. One group advocated a policy emphasizing large unit

offensive actions directly against US units. Another group believed that the role of guerrilla warfare was being underplayed in the South.

- 13. For the present, judging both from Communist action in the field and from recent articles in the DRV press, a compromise solution has been reached—although some aspects of the debate appear to be continuing—with heavier emphasis being given to the guerrillas than in the past two years but primary weight is still being given to large unit actions.
- 14. One of the major points of dispute within the Vietnamese Communist military establishment has been the relative number of casualties the Communists believe they can afford to take in comparison with the losses of the allies. For example, Politburo member General Nguyen Chi Thanh, chief military and political officer for Communist forces in the South, in July 1966 criticized those who claimed that the Communists needed a two to one troop superiority in order to defeat an ARVN unit and at seven or even hine to one to defeat a US unit.
- 15. Complicating this problem for Hanoi is the difficulty in getting accurate details of the battlefield situation in the South. Captured documents indicate that local Communist commanders report their own losses accurately. There are some indications, however, that local commanders grossly exaggerate the number of casualties their units have inflicted on US units. Hanoi has several means at hand to overcome this problem.

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Hanoi has also been sending an increasing number of top level North Vietnamese general officers to command positions in the South. Moreover, total US strength figures are available to Hanoi not only through battlefield commands but also through an extensive and very competent intelligence network which seems to have penetrated all levels of the South Vietnamese Army. At present, therefore, it seems likely that Hanoi has a fairly good appreciation of the actual situation in the South.

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## Foreign Volunteers for South Vietnam

- It is unlikely that Hanoi or its National Front for the Liberation of South Vietnam (NFLSV) will at any point seek substantial help from Communist China, the Soviet Union, or the rest of the Communist bloc in the form of combat personnel for the war in South Vietnam. In part this is because the Vietnamese Communist leadership appears confident that the manpower available to them in North and South Vietnam is sufficient to carry on the war. recently captured notebook contained what appears to be notes from a lecture to Communist cadre in the South on Hanoi's "12th Central Committee resolution" on war policy. According to these notes, the Communist High Command anticipates that the US may raise its force level in South Vietnam to one or one-anda-half million men. The Communists are confident that they can defeat even that large a force, according to the notebook, and no mention was made of foreign volunteers.
- 17. In part, Hanoi's attitude probably stems from a realization that no significant foreign ground combat force is likely to be made available for fighting in South Vietnam. Although there is always a possibility that at some point an international brigade type of volunteer unit will appear in South Vietnam at the behest of the NFLSV, such a unit would be primarily for propaganda rather than combat purposes.
- 18. Certainly Hanoi is under no illusions that the Soviet Union or any Eastern European country is going to send substantial ground forces to South Vietnam. The North Vietnamese also appear to believe that there is little prospect of significant Chinese Communist intervention in South Vietnam. A captured document containing an analysis of the war by party first secretary Le Duan pointed out that "South Vietnam's resources in manpower and material is in the north." Le Duan went on to state that it is possible the US will attempt to move into Laos in order to cut off the supply lines from the north to the south. He asserted that in such an event "the US troops would have to clash with the North Vietnamese main force."

In neither case did Le Duan suggest that foreign troops would enter the fight.

- 19. Le Duan also stated his belief that the US had been encouraged in sending troops to South Vietnam by the fact that a situation existed in which "our camp's unity was seriously impaired," and therefore the US would not become "involved in a major war" encompassing the entire socialist bloc.
- 20. Another captured notebook, containing excerpts from a lecture by a Communist official named Vinh\*, asserted that the Chinese would enter the combat "if the war is expanded to North Vietnam," implying that China will not enter as long as the war is confined to the South. Thus, it is clear the leadership did not want to raise any hopes that the Chinese would step in to save the day for the Vietnamese in South Vietnam.
- 21. Hanoi's handling of the subject of foreign volunteers in its propaganda also suggests that it does not intend to raise any hopes among Viet Cong supporters in the South of massive Chinese intervention on their behalf. On 22 March 1965, the Central Committee of the NFLSV issued a statement containing a warning that it would call for foreign volunteers if the US and its allies continued to send troops to South Vietnam and continued "to expand the war to the North and Laos." When Hanoi rebroadcast this NFLSV statement, however, it added the caveat, "when needed." From then on, both the NFLSV and Hanoi inserted that or a similar caveat whenever referring to the possibility of foreign volunteers.
- 22. Moreover, after the summer of 1965, Hanoi appears to have attempted to lump the threat of foreign volunteers for South Vietnam together with the possibility of volunteers for the North. Hanoi spokesmen and news media now use such terms as "the Vietnamese people" will call for foreign volunteers "when needed," thus blurring the issue as to which half of Vietnam these volunteers would be sent. At no time have Vietnamese Communist spokesmen specified any point at which foreign combat personnel would be

<sup>\*</sup>Possibly Reunification Committee chairman General Nguyen Van Vinh, although the evidence on Vinh's identity is inconclusive.

requested, and all available evidence suggests that Hanoi does not expect that point ever to be reached.

Even in the event that Communist main forces in South Vietnam were defeated and the guerrillas and political infrastructure destroyed, it is unlikely that Hanoi would call for Chinese Communist assistance in the form of combat personnel for the This is due, if for no other reason, to the fact that Hanoi undoubtedly understands that Peking would not respond favorably to such a request. Lin Piao's famous September 1965 treatise, "Long Live the Victory of the People's War," stated in unmistakable terms the Chinese position that oppressed peoples must wage wars of liberation -- and Vietnam was held up as the prime example of such a war--largely with their own resources. Le Duan's letter, mentioned earlier, stated that one of the chief requirements facing the Communists is to "persuade the socialist bloc to be also resolute like us to foil the US aggression in the South," suggesting that Le Duan thought the rest of the bloc was not providing as much assistance as it might.

## Foreign Combat Personnel for North Vietnam

24. North Vietnam has already accepted foreign air defense personnel and probably will ask for and receive additional help of this kind as the demands on its air defense system are increased. Foreign air defense personnel known to be in North Vietnam at present consist of Soviet surface-to-air missile operators, a few Soviet jet pilot trainers, North Korean combat jet pilots, and Chinese Communist antiaircraft artillery batteries. In addition, since late April, Chinese Communist MIGs have been engaging US aircraft over northeast North Vietnam.

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25. The Soviet jet pilots have not been noted in combat patrol activity. Their primary role ap-	25/1
pears to be as instructors.	25X1
their primary role appears to be to instruct and furnish technical advice to the North Vietnamese. North Korean pilots have been	
noted active in a combat role since at least 30 April. The entire North Korean contingent	25 <b>X</b> 1
appears now to be stationed at Kep Airfield. Chi- nese Communist antiaircraft artillery batteries are strung out along the two rail lines leading from Hanoi to China and near other Chinese construction projects in North Vietnam. Their primary role ap- pears to be to defend the Chinese engineer units working on these projects.	25X1
26. Hanoi was probably motivated to seek foreign personnel to aid in its air defense because of its realization that its own efforts in this area were totally inadequate. When the first SAMs appeared in North Vietnam, there was abundant testi-	
mony that the Vietnamese preferred to man the missiles themselves rather than to allow the Soviets to do so. In part, this was due to Hanoi's desire not to pro- voke the Chinese, who did not and still do not want to see substantial numbers of Soviets in North Vietnam.	25X1
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28. In the case of the Chinese, it is likely that Peking insisted on providing its own antiair-craft defenses for its engineers working in North Vietnam. It is also likely that Hanoi was glad to	
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- 30. If US air strikes continue to hit key targets in the Hanoi-Haiphong area, the North Vietnamese can be expected to request an additional commitment from their allies for air defense. This could include an appeal for Soviet and East European "volunteer" pilots, regular Soviet SAM units, a Cuban jet pilot contingent and Chinese Communist jet interceptor units as well as additional Chinese AAA.
- 31. There is little likelihood that US air strikes will bring the Hanoi regime to such straits that it will request the introduction of Chinese Communist ground combat forces into the war. The North Vietnamese have made extensive preparations for the evacuation of their government offices from

Hanoi and have already begun to disperse some offices to the countryside. Even under the heaviest bombing attack, the regime could probably continue to function well enough to continue to support and direct the war in South Vietnam. After more than two years of intensive bombing, the North Vietnamese are still capable of moving substantial quantities of goods and men to South Vietnam and there is little reason to believe that this capability will diminish enough as the result of air strikes to end the war. Moreover, captured documents such as the notebooks mentioned above, state Hanoi's intention to confine the war to South Vietnam. Le Duan particularly dwelt on this aspect, calling it a duty of the Vietnamese Communists to contain the conflict within that area.

- North Vietnam probably would not rule out a call for foreign ground force help (in practice this would have to be primarily Chinese) in the event of an invasion of its territory by US ground forces. The aforementioned lecture by Vinh\* to Communist cadre in South Vietnam stated flatly that the Chinese Communists will enter the war if it is ex-It should also be recalled tended to North Vietnam. that in 1965 Hanoi was faced with the decision of whether to ask for Chinese help, including the presence of large numbers of Chinese personnel, to cope with the effects of US air strikes. At that time, despite its ingrained antipathy to having large numbers of Chinese in their country, the North Vietnamese decided to invite in the Chinese. Faced with the even greater threat posed by a US invasion, it is likely that Hanoi will take the necessary step of inviting further Chinese presence. It is possible that Hanoi would call for Chinese troops to replace North Vietnamese forces sent to counter a US invasion of the southern DRV but it is more likely that Hanoi would wait until it determined whether the US forces intended to remain near the DMZ or whether they intended to move farther north. Hanoi would also wait until it made certain its own forces could not contain the US troops before calling in the Chinese.
- 33. Hanoi might also call for volunteers from other countries but only the Chinese could offer an

<sup>\*</sup>See note on paragraph 20.

effective ground combat force. Any Communist ground force operating in North Vietnam would be almost totally dependent on supplies coming through China.

- 34. In the event of a US invasion of North Vietnam, Hanoi could decide to opt for negotiations as proposed by the US. It is more likely, however, as long as Hanoi is convinced it can rely on the Chinese for support, ultimately including the commitment of ground troops, that the North Vietnamese would continue to fight. A number of articles written over the past several years by top-level North Vietnamese military leaders have addressed the question of how North Vietnam would handle an invasion by the US. They all indicate an intention to fight rather than negotiate in such an event. According to these articles, the North Vietnamese intend to use tactics similar to those used in South Vietnam.
- Defense Minister Vo Nguyen Giap in an article published on 22 December 1964 stated that "if the enemy wages an aggressive war against North Vietnam ... standardized warfare and guerrilla warfare will be simultaneously used in the war launched by our people to protect the fatherland." The deputy chief of the North Vietnamese Army's General Staff, Hoang Van Thai, wrote in December 1964 that "in case of war in North Vietnam," both "conventional and guerrilla warfare will be used." These and other such articles also stress the fact that Hanoi will wage a "protracted war" in its own defense, just as in South Vietnam. Other more recent articles by leading North Vietnamese echo this theme. all reflect a determination on the part of the North Vietnamese leadership to fight such an invasion and the tactics they say will be used suggest that they believe, in combination with the war in South Vietnam, they can effectively wear down the US as they did the French.

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VIII

The Effect of the Bombing on North Vietnamese Thinking

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## THE EFFECT OF THE BOMBING ON NORTH VIETNAMESE THINKING

#### Summary

Twenty-seven months of US bombing of North Vietnam have had remarkably little effect on Hanoi's over-all strategy in prosecuting the war, on its confident view of long-term Communist prospects, and on its political tactics regarding negotiations. The growing pressure of US air operations has not shaken the North Vietnamese leaders' conviction that they can withstand the bombing and outlast the US and South Vietnam in a protracted war of attrition. Nor has it caused them to waver in their belief that the outcome of this test of will and endurance will be determined primarily by the course of the conflict on the ground in the South, not by the air war in the North.

#### Hanoi's View of US Aims

- l. The reaction of the Hanoi leaders to the bombing cannot be separated from the broader question of their assessment of US objectives in this conflict. Their determination to endure and defy the air attacks has been reinforced by their conviction that the US is seeking a clear military victory involving the destruction of Viet Cong forces and political apparatus, the partition of Vietnam on the Korean pattern, and the indefinite presence of American forces and bases in South Vietnam. With this perception of US policy, the North Vietnamese see no advantages in undertaking a serious exchange of views with the US and no prospects for formal negotiations on terms acceptable to them.
- 2. The bombing has not weakened Hanoi's confidence that time is still on the side of Communist forces in the South and that the US eventually will be compelled to scale down its objectives and modify its terms for negotiations. The air strikes, moreover, have had no discernible effect on Hanoi's ability and intention to maintain at least a rough military stalemate in the South--which the North Vietnamese view above all as the essential prerequisite to forcing an eventual adjustment in American policy.

## Effects of the Bombing on North Vietnamese Determination

3. There is no evidence that the bombing has had any significant effect in impairing the morale of either the Hanoi regime or the population. Many non-Communist foreign visitors have testified to the North Vietnamese "unshakable will to resist" and to their "ability to deal with the situation" no matter how much the US increases its efforts. Hanoi officials have privately conceded that the bombing has caused great damage but they profess confidence that morale will remain high so long as population centers are not subjected to sustained and systematic attack.

### The Air Strikes and Hanoi's Attitude Toward Negotiations

4. The bombing has heightened Hanoi's unwillingness to contemplate negotiations from a position of 25X1

weakness. The Soviet ambassador in Hanoi, for example, that North Vietnam would consider any negotiations a "capitulation" following the initial air strikes against petroleum storage installations in the Hanoi-Haiphong area. In view of this constant preoccupation with maintaining an image of resolution and confidence, Hanoi almost certainly will continue to reject negotiations unless and until the US should agree to an unconditional cessation of bombing. The North Vietnamese have consistently held that "discussions" are out of the question as long as air strikes continue and that they are unwilling to "pay a price" to achieve their cessation.

- 5. There is no reason to believe that North Vietnamese Foreign Minister Trinh's late January statement that "there could be talks" between the US and North Vietnam if the US unconditionally halted the bombing and "all other acts of war against the DRV" represented a retreat forced on Hanoi by the air strikes alone. This statement, in fact, was the culmination of a series of steps which began last fall toward more flexible political tactics. Since November 1966, North Vietnam has invited or admitted a procession of non-Communist journalists and public figures with the clear purpose of waging more effective political warfare against the US.
- 6. This shift in tactics may have been partly influenced by repeated advice from the USSR and from Eastern European delegations, which visited Hanoi in October and November, to the effect that North Vietnam must make greater efforts to win the battle for world opinion. The Trinh "offer" was calculated to appear responsive to statements by Ambassador Goldberg in the UN General Assembly last September and October and, particularly, to efforts by U Thant and others to find a way to break the impasse on negotiations. Hanoi's "offer" was designed to give the appearance of meeting the US position of early 1966 which seemed to indicate readiness to halt the bombing in return for a clear signal of North Vietnam's desire for talks.
- 7. In addition to the obvious aims of discrediting US policy and stimulating greater foreign pressure

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for a unilateral American concession, Hanoi's shift in tactics may also have been conceived as a means of deterring new US escalatory measures such as an invasion of southern North Vietnam which Hanoi apparently anticipated in the weeks following the American election last November.

8. It is possible that the concern over the dangerous implications of the growing disorder in China in late 1966 also influenced Hanoi's decision to modify its public stance on negotiations in January. Over the longer term, the situation in China will certainly have an important effect on North Vietnam's attitude toward negotiations. In addition, the North Vietnamese may have entertained a modest hope that the US might be obliged by the foreign and domestic response to Trinh's statement at least to curtail the pace and scope of its bombing operations.

## Hanoi's Attitude Toward A De-Escalation of the Bombing

- 9. Hanoi's reaction to a de-escalation, short of a cessation, in the bombing program probably would be to interpret it as a sign of weakness on the part of the US. North Vietnam has been throwing its entire air defense strength against recent US strikes in the Hanoi-Haiphong area. A de-escalation coming after these attacks would almost certainly appear to Hanoi as a sign that its defenses had cost the US more than it was willing to expend. North Vietnam would seek to make the most of such a de-escalation by making extensive repairs to damaged facilities and by stockpiling supplies in case the air war should again be escalated.
- 10. Present evidence suggests, however, that the North Vietnamese are preparing against a further escalation of the air strikes. They are unlikely to change their current stand on negotiations even if faced with more extensive damage. It is always possible that other factors such as the internal situation in China or developments in the war in South Vietnam will bring about some change in Hanoi's attitude. It does not appear, however, that the air strikes alone will accomplish such a change.

#### The Bombing and Hanoi's Strategy for a Settlement

- In addition to the impact of bombing in reinforcing Hanoi's suspicions of US war aims and of the cenuineness of the American interest in negotiations, the air strikes have complicated North Vietnam's political strategy concerning the shape of an eventual settlement. From Hanoi's vantage point, the bombing has served to dramatize US insistence that the war is essentially a war of aggression by the North against the South, rather than a civil conflict in South Vietnam. Thus, Hanoi cannot agree to a reciprocal de-escalation in the South in return for a cessation of bombing without appearing to validate the US portrayal of the fundamental issues at stake. North Vietnam has consistently denied any direct intervention in the South and it apparently continues to attach great importance to maintaining this pretense for this position has a direct bearing on Hanoi's aim of winning an equal voice for the National Liberation Front in any future negotiations and political settlement. has taken the line that any peace negotiations must be confined to the parties directly involved -- the Saigon government, the US, and the National Liberation Front--and that Hanoi would be limited, at least at the outset of a negotiating process, to playing a mediatory role in getting talks started. Hanoi contends that the only subject of any bilateral US - North Vietnamese talks would be the cessation of bombing and "other acts of war" against the DRV. Thus, any formula which equates US bombing of the North with North Vietnam's military presence in the South is seen by Hanoi as endangering vital political objectives in any future settlement.
- 12. One final effect of the bombing should be noted—the increased dependence of North Vietnam on both China and the Soviet Union for vital air defense weapons and equipment, food, and a vast array of other war-related supplies. This dependence inevitably has drawn Hanoi into deeper involvement in the Sino-Soviet antagonism and the extremely delicate problem of maintaining good relations with both powers has imposed further inhibitions on North Vietnam's freedom of maneuver.

IX

The Effectiveness of the Rolling Thunder Program and Enemy Countermeasures 1 January 1966-30 April 1967

# THE EFFECTIVENESS OF THE ROLLING THUNDER PROGRAM AND ENEMY COUNTERMEASURES 1 January 1966 - 30 April 1967

#### Summary

The Rolling Thunder program has made some progress in meeting its current two-fold objective:

- (1) To limit, or raise, the cost of sending men and supplies to South Vietnam.
- (2) To make North Vietnam pay a price for its aggression against the South.

The recent expansion of the bombing program has had some positive effects relative to these objectives, particularly in the modern sector of the North Vietnamese economy. disruptions to orderly economic activity and sustained pressures on North Vietnam's limited human and material resources are evident. The damage to economic and military target systems has not been sufficient, however, to cause a meaningful degradation of North Vietnam's ability to support the war, at least at current levels of combat. There are no signs that the determination of the regime to persist in its aggression has abated; despite increasing hardships, popular morale has not eroded to the point where widespread apathy and war weariness are threatening the control of the Hanoi reqime.

The bombing program has forced North Vietnam to divert from 575,000 to 700,000 individuals, about equally divided between full-time and part-time workers and troops, to air defense activities and to repair, reconstruction, and dispersal programs. The cost of physical and military damage has been growing. Total damage resulting from air attacks through April 1967 is estimated at over \$233 million. More than 70 percent of this damage was inflicted on economic target systems.

Despite the increasing costs and burdens resulting from the air attacks, North Vietnam, aided by an increased flow of imports from the USSR and Communist

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China has managed to maintain, and in many respects to improve, its organized support of the war. The electric power industry has been the most heavily damaged sector of the economy, and its neutralization may paralyze almost all of the modern industrial sector. However, the modern sector makes only a marginal contribution to the war effort since virtually all war-supporting materiel is imported. Other important targets which have been subjected to heavy attack -- particularly transportation and petroleum storage facilities -- have successfully employed countermeasures so that their overall performance and support capabilities remain as high as, if not higher than, they were when the bombing programs started.

The attacks on military target systems through April 1967 had not significantly reduced the capabilities of the military establishment. These capabilities have, in fact, been greatly expanded through large infusions of military aid from the USSR and Communist China.

The ability of North Vietnam to withstand the pressures of air attacks is explained by several factors. The economy is essentially agrarian and provides little direct input, other than manpower, into the war in the South. The increasing flow of essential economic and military aid into North Vietnam far surpasses the total damage resulting from air attacks. This aid provides North Vietnam the necessary materials to continue the war; it also implies that the USSR and Communist China will underwrite the damage sustained and the eventual reconstruction of the country, as they did in the case of North Korea. Finally, the North Vietnamese have devised and employed an elaborate and highly successful system of countermeasures -- dispersal of industry, mobilization of labor units, evacuation of population and the like -- which negates most of the desired impact of air attack on the vital flow of men and supplies to the war in the South.

The results to be expected from a further expansion of the bombing program, with the possible

exception of a mining program, are limited, ruling out attacks on dikes or population centers. Experience indicates that the remaining land transportation targets will be extremely difficult and costly to interdict. The few lucrative economic targets remaining do not make a significant contribution to the war effort, and their loss can be compensated by additional foreign aid. The neutralization of the remaining military targets, such as airfields, SAM sites, and radars, would reduce losses to US aircraft but would have virtually no effect on the ability of Hanoi to support the war in the South.

In summary, no bombing program alone is likely to create sufficient pressures or problems to prevent Hanoi from sustaining the flow of essential military materials and continuing its support of the war in the South. While the mining of Haiphong and other ports would impose greater hardships on North Vietnam and raise further the cost of sustaining the insurgency than would other alternatives, such action, by itself, would probably not have a decisive impact on North Vietnamese thinking.

Virtually all of the remaining economic targets are concentrated in densely populated and heavily defended areas of North Vietnam. Their neutralization could be very costly to US air forces. The recent attacks on targets in the Hanoi-Haiphong area indicate, for example, that the combat loss rate for US aircraft could be as much as 10 times greater than that experienced in the air campaigns over other areas of North Vietnam.

Continued harassment and attacks on the road, rail and trail network in the southern portion of North Vietnam and in Laos will not prevent or stop infiltration but will make it more costly and will force North Vietnam to pay a continuing price on its own territory for its continued support of the war in the South.

#### I. Physical Effects

#### A. General

The extension of the Rolling Thunder program during 1967 to include attacks against major industrial facilities in former sanctuary areas, and against important military targets such as airfields, has given new dimensions to the nature of US air operations. However, the program remains preponderantly an interdiction campaign against lines of communication and logistic targets of opportunity in the southern part of the country.

The changed scope of the bombing program has been sufficient to erode significantly North Vietnam's limited industrial and military base. The increased damage inflicted on North Vietnam undoubtedly will have unfavorable repercussions, particularly in the modern industrial sector of the economy. Many of the achievements of a decade of industrial growth have been neutralized, if not lost. Programs for orderly economic development have been forgone. The allocation of limited human and material resources has been a particularly disruptive problem.

The cumulative measurable damage to economic and military target systems through April 1967 is estimated at over \$233 million.\* Over 70 percent of the cumulative damage has been inflicted on economic targets. A comparison of total measurable damage

<sup>\*</sup>These estimates are based on bomb damage assessments using post-strike photography available to this Agency as of 7 May 1967. This photographic coverage, with minor exceptions, includes all major targets as of the end of April 1967.

to economic and military target systems for 1965, 1966, and January-April 1967 is as follows:

	Million US \$				
Type of Target	1965	1966	January-April 1967		
Economic	36.2	93.3	36.2		
Military	32.5	19.1	16.0		
Total	68.7	112.4	52.2		

The cost of damage to both economic and military target systems has increased as the US air campaign has been directed against the more lucrative targets in the Hanoi-Haiphong area of North Vietnam. Economic damage in the first four months of 1967 has been at an average monthly rate of \$9.1 million, compared with rates of \$3.6 million during 1965 and \$8.5 million during 1966. Military targets have sustained damage at an average monthly rate of \$4.0 million during January-April 1967, compared with rates of \$3.3 million during 1965 and \$1.7 million during 1966.

The estimated value of damage to the economic and military facilities and equipment attached under the Rolling Thunder program through April 1967 is as follows:

Economic Facilities and E	quipment	Military Facilities and	Equipment
Direct Losses	Million US \$	Direct Losses	Million US \$
Transportation equipment	41.4	Barracks	19.9
Railroad/highway bridges	24.8	Aircraft*	19.4
Electric powerplants	20.5	Supply depots	5.0
Manufacturing facilities	11.8	Ammunition depots	4.9
Petroleum	7.4**	Naval craft*	3.8
Railroad yards and shops	3.5	SAM sites	3.4
Maritime ports	1.4	Radar sites	2.6
Miscellaneous armed reconnaissance	1.4	Naval bases	1.6
		Airfields	0.4
		Communications sites	0.2
		Miscellaneous armed reconnaissance	6.4
Subtotal, direct losses	112.2		
Indirect Losses			
Exports	20.2		
Agriculture	25.5		
Fishing	7.8		
Subtotal, indirect losses	53.5		
Total, direct and indirect losses	165.7	Total	67.6

<sup>\*</sup>Previous assessments of the value of aircraft and naval craft damaged or destroyed by air attack were calculated on the basis of US production costs for comparable equipment. The assessment in this report is made on the basis of Soviet foreign trade prices (prices charged for similar equipment sold to less developed countries) as those most closely approximating the true value of this equipment.

<sup>\*\*</sup>Midpoint of the range at \$7.1 million to \$7.8 million.

Despite the rising costs inflicted by the Rolling Thunder program, the damage to North Vietnam has apparently been within acceptable limits, and the regime has continued its hard-nosed stand on negotiations. No vital part of Hanoi's military establishment has been neutralized nor has its warsupporting capability been significantly reduced. With the exception of electric power generation, the North Vietnamese have been able to devise and execute adequate countermeasures to keep most essential economic war-supporting activity going. The loss of electric power facilities is having unfavorable repercussions throughout most of the modern industrial sector. But modern industry does not play a vital part in sustaining North Vietnam's ability to continue with the war. The USSR and Communist China are underwriting most of the costs of the war by providing the military and economic aid necessary for the defense of North Vietnam and its aggression in the South. The North Vietnamese regime shows no apparent weakening in either its determination or its ability to continue with the war. Although reports of food shortages, distribution problems, and increasing hardships being borne by the people are received more frequently, popular morale is judged not to have eroded significantly.

#### B. Economic Damage

#### 1. Direct Effects

The cost of direct damage inflicted on economic target systems in North Vietnam through April 1967 is estimated at over \$112 million. (For a chart showing total damage--direct and indirect--see Figure 1.) More than one-fourth of this damage--\$28.9 million--occurred in the first four months of 1967, as shown in the following tabulation:

	Million US \$				
	1965	1966	January-April 1967		
Damage to economic facilities and equipment	26.8	56.5	28.9		

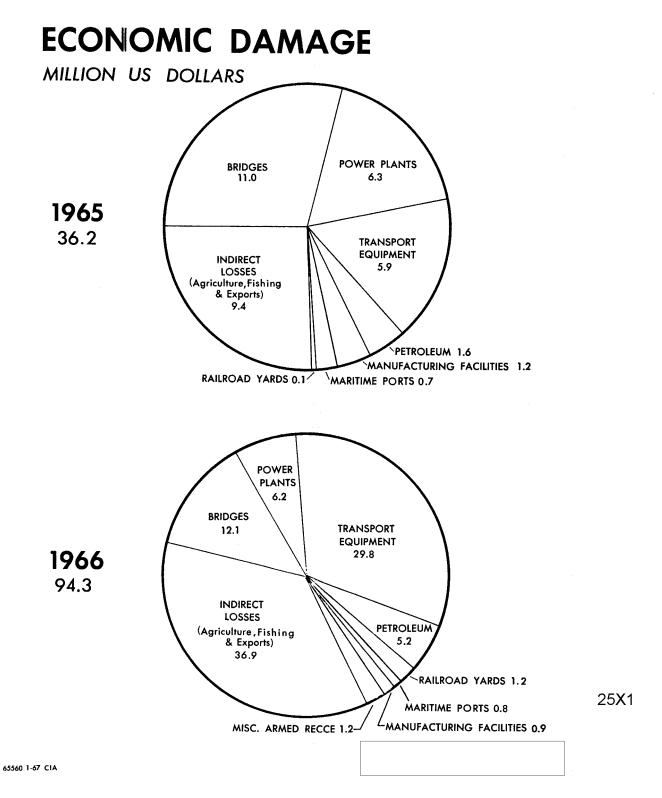


Figure 1. Value of Economic Damage in North Vietnam, by Sector, 1965 and 1966

The emphasis on the Rolling Thunder program as an interdiction campaign is reflected in the losses sustained by the several economic target systems. More than one-fourth--\$41.4 million--of the estimated direct damage is accounted for by the destruction or damage of transport equipment. Destruction or damage of railroad and highway bridges amounts to almost \$25 million. In terms of value, the greatest amount of damage to industrial target systems was inflicted upon the electric power industry, which lost about 70 percent of its powergenerating capacity at an estimated cost of over \$20 The recent emphasis in attacks on modern industrial facilities such as the Thai Nguyen iron and steel complex and the Haiphong cement plant is reflected in the estimates of damage to manufacturing facilities. Direct damage to manufacturing facilities is estimated at almost \$12 million. More than 85 percent of this damage was inflicted during the first four months of 1967.

The most heavily damaged target system in terms of loss of capacity has been the petroleum storage system, which has lost about 85 percent of the major bulk storage facilities existing prior to the Rolling Thunder. This loss amounted to an estimated \$7.4 million. The disruptive effects of the loss of storage facilities have been offset by an elaborate system of dispersed storage and distribution of petroleum stocks.

None of the remaining economic target systems has sustained direct bomb damage to any significant extent. The physical effects of the direct bomb damage to each of the major economic target systems are discussed in the following sections.

#### 2. Electric Power

Air strikes against electric power facilities in North Vietnam have put out of operation about 131,000 kilowatts of power-generating capacity, or 70 percent of the national total. The cost of restoration of these facilities is estimated at \$20.5 million.

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About 55 percent of the reduction of capacity in the main power network, which is centered on Hanoi and Haiphong, has resulted from attacks during 1967. Damage to central generating facilities has reduced the serviceable capacity of this network from 136,000 kw to 32,500 kw, about 24 percent of the pre-strike level. The air strikes during January-April 1967 inflicted severe damage on powerplants at Hon Gai (with an original capacity of 15,000 kw), Thai Nguyen (24,000 kw), and Viet Tri (16,000 kw), Haiphong West (10,000 kw), and Haiphong East (7,000 kw). The time required to restore partial operation of these plants will be a minimum of four months, with the exception of the Haiphong East plant which will require at least one year. Complete restoration in every instance will take one year or more.

Damage inflicted by two strikes on the Dong Anh transmission substation, the most important in the network, will prevent operation of the installation for at least two to three months. The results of a 4 May strike on the substation are not yet known. An additional powerplant at Bac Giang (12,000 kw), which is outside the main power network, was put out of operation for a minimum of three months.

Loss of the generating capacity at Hon Gai, Viet Tri, and Thai Nguyen has eliminated the supplementary supply of power formerly received by Hanoi and Haiphong from the main transmission network. The neutralization of the main power network means that Hanoi now is dependent on one local powerplant with a capacity of 32,500 kw, which is believed capable of serving about one-half of its normal needs. Haiphong is without a central power supply and must rely on whatever mobile or stationary diesel-generating equipment that is available in addition to a small amount that can be supplied from Hanoi for high-priority needs.

The degree of curtailment of electric power supply is difficult to quantify. The loss of generating facilities undoubtedly has created a severe shortage of power and disrupted activities that normally depend on a reliable central power supply in addition to the small amount that can be supplied from Hanoi for high-priority needs.

It appears almost certain that nonessential consumption by residences, commercial establishments, and street lighting has been eliminated. Curtailment of the industrial power supply probably has caused fragmentation of industrial processes in some cases, and in other cases has caused complete shutdown. The few heavy or continuous-process industries, such as the Viet Tri chemical and paper complex or the Haiphong cement plant,\* will probably be forced to stop operations unless some provision for power supply has been made by the installation of diesel-generating units larger than those currently estimated to be available. eral instances there is no ready substitute for the industrial process steam formerly furnished by the central powerplants. Industrial or manufacturing processes that can be divided into small segments (such as machine shops, truck repair facilities, coal mining, or port loading operations) can probably be furnished sufficient power by small dieselgenerating units, but not without some loss of efficiency.

There are some signs of strain and bottlenecks in North Vietnamese attempts to rebuild damaged power facilities. Progress in reconstruction during 1966 was largely thwarted by restrikes that took place during the year. Repair of the Thai Nguyen powerplant was rapidly accomplished in the latter part of 1966 after damage was inflicted in July. The Uong Bi plant, damaged in August 1966, showed little sign of reconstruction in January 1967. The Thanh Hoa and Ben Thuy plants were apparently still unserviceable in April 1967. Work on the Nam Dinh plant progressed steadily until late 1966, and then apparently halted. Although some of the boilers at Nam Dinh currently are serviceable, it is estimated that the plant still cannot generate electricity. Reconstruction of small plants at Co Dinh and at Ban Thach apparently has been abandoned. The North Vietnamese seem willing to restore damaged powerplants to partial operation where limited damage permits equipment to be readily salvaged. Some evidence indicates that they are willing to abandon plants for which a major reconstruction effort would be required.

<sup>\*</sup>This plant also sustained bomb damage in April 1967.

#### 3. Petroleum Storage Facilities

On 1 January 1965, North Vietnam had a combined petroleum storage capacity of about 128,000 tons\* at 13 fixed facilities that were JCS-targeted. By the end of 1966 about 85 percent of this capacity was destroyed. There were eight air strikes against JCS-targeted facilities during the first four months of 1967. The only identified damage was inflicted on Do Son, where all of the residual capacity was destroyed --- an additional one percent of the original capacity. Damage to the Haiphong terminal as a result of an attack in April 1967 was restricted to rail facilities and buildings in the terminal. damage to tankage was observed. At the end of April 1967, therefore, a combined capacity of only about 18,000 tons, or 14 percent of the original capacity, remained at seven JCS-targeted facilities.

The total value of the tankage, contents, and related facilities destroyed at JCS-targeted sites is estimated at about \$6.7 million to \$7.4 million. In addition, an estimated 5,000 tons of storage capacity -- including contents -- at dispersed tank sites were destroyed during 1966 with a value of about \$0.4 million. Although the 55 gallon drum inventory also has been attacked since 1965, no adequate assessment of the damage inflicted can be made. Thus the measurable damage to all petroleum facilities and contents through April 1967 is estimated at about \$7.1 million to \$7.8 million.

Air strikes against JCS-targeted petroleum facilities undoubtedly have been effective when measured in terms of the storage capacity and petroleum destroyed. Although the cost and difficulty of importing and distributing petroleum have been increased, the bombing has not effectively reduced North Vietnam's capability to maintain petroleum supplies. This capability stems principally from the development of dispersed bulk oil storage capacity before extensive attacks against JCS-targeted facilities began.

<sup>\*</sup>Tonnages are given in metric tons throughout unless otherwise indicated.

By the end of April 1967, there probably were more than 100 dispersed petroleum storage tank sites in North Vietnam with a total estimated capacity of between 30,000 and 40,000 tons. The accumulation of 55 gallon drums also has given North Vietnam increased flexibility in petroleum storage and distribution. The storage capacity represented by the drum inventory at the end of April 1967 probably was between 35,000 and 40,000 tons. In addition, there is an indeterminate amount of "floating storage capacity" represented by oil barges, rail tank cars, tank trucks, and a newly assigned small tanker for use in North Vietnamese waters. Soviet willingness to modify petroleum delivery procedures by shifting from supply sources in the Black Sea -- almost 30 days' sailing time from North Vietnam -- to sources of supply in the Soviet Far East -- only 5 days' sailing -- also has eased the burden on available petroleum storage capacity in North Vietnam. relative invulnerability of the dispersed tank sites and drums makes it improbable that bombing will adversely affect the North Vietnamese capability to import and distribute petroleum.

There is no evidence that the bombing of petroleum targets has seriously weakened the economy, produced significant shortages of petroleum, or diminished North Vietnam's capability to support military activities or the infiltration of men and supplies into Laos and South Vietnam.

#### 4. Manufacturing

The small manufacturing sector of North Vietnam has suffered important setbacks as a result of US air strikes during the first four months of 1967. Not only is North Vietnam's industry now faced by a general electric power shortage, but the Thai Nguyen Iron and Steel Combine and the Haiphong Cement Plant -- North Vietnam's largest industrial facilities -- have been damaged by bombing. The value of direct bomb damage to North Vietnamese manufacturing facilities through April 1967 is estimated to total \$11.8 million, of which \$9.5 million is accounted for by damage to the Thai Nguyen Plant in 1967 as shown in the following tabulation:

	Million US \$				
	1965	<u> 1966</u>	Jan-Apr 1967	Total	
Thai Nguyen Iron and Steel Combine		MAIN STATE	9.5	9.5	
Haiphong Cement Plant			0.3	0.3	
Nam Dinh Textile Mill	0.8	0.2	0.4	1.4	
Cam Pha Coal Treatment Plant		0.1		0.1	
Viet Tri Paper Mill		0.1		0.1	
Lang Chi Explosives Plant	0.4	***	<b></b>	0.4	
Total	1.2	0.4	10.2	11.8	

The indirect costs of the bombing to the manufacturing sector are also substantial. These costs, in terms of lost production and the resulting loss of foreign exchange earnings, probably will amount to tens of millions of dollars annually. Most of North Vietnam's major chemical facilities have probably been forced to curtail operations because of the damage to electric powerplants. The more intensive use of capital equipment and the inclusion of additional women in the labor force have mitigated some of the losses to production. Nevertheless, apparently the best that North Vietnam could claim for the chemical and coal industries -- even in 1966 -was that they "continued operating" and for light industry that it "increased the production of necessities and turned out new varieties of goods."

The effect of the air strikes on North Vietnam's manufacturing facilities has been uneven. It is not possible at this time, for example, to make a firm estimate of the effects on production of the 12 attacks against the Thai Nguyen Iron and Steel Combine. This plant is primarily a producer of pig iron and coke. It has also engaged in the fabrication of barges, small watercraft, pontoons,

petroleum storage tanks, and construction materials from imported steel. Most of these products are inputs to North Vietnam's transportation and logistics system. Much of this fabrication work undoubtedly has been disrupted by the bombing. Available photography covering strikes shows no direct damage to the blast furnaces. Therefore, the production of pig iron may be possible unless it has been affected by damage to associated facilities such as the steam plant.

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The Haiphong cement plant is estimated to be inoperative both because of the air strikes on 20 and 25 April 1967 and because of the loss of electric power from the damaged Haiphong Thermal Power Plant West. Partial operation of the plant at about 85 percent of its original capacity (600,000 tons a year) could probably be achieved in 90 days. It is highly unlikely that the plant would be restored to full capacity until after the cessation of the bombings. The loss of cement output will deprive North Vietnam of one of its few earners of foreign exchange. If the bomb damage is not restored quickly, North Vietnam will also be forced to import cement, probably from Communist China.

It is not possible to quantify the effect on production at most of the remaining manufacturing facilities. No effort has been made to repair the Nam Dinh textile mill, which accounted for half of North Vietnam's weaving capacity in 1965. Much of the equipment from this mill was dispersed after the first inadvertent strike in July 1965. The Cam Pha coal treatment plant has been inadvertently struck three times. Although damage to this plant has been minor, this damage in combination with a shortage of power normally supplied from Hon Cai apparently was the reason for a sharp drop in coal exports during The Viet Tri paper mill, the largest producer of paper in North Vietnam, was inadvertently struck in July 1966 and the damage was repaired by the end of 1966. Production may again have been disrupted by the damage to the Viet Tri powerplant in March The Lang Chi explosives plant remains inoperable from the heavy damage inflicted by air strikes in July and August 1965.

The damage already inflicted to North Vietnamese industry by the bombing undoubtedly has crushed North Vietnam's once promising hopes for a high rate of economic growth, and has added to the heavy burden on economic management. Still, North Vietnam has always been a predominantly agricultural nation with an important local industry and handicraft sector providing for a large degree of selfsufficiency. Moreover, industry has played only a small role in support of the military effort, with a great part of military and military-associated materiel being imported from North Vietnam's Commu-Thus the destruction of the remainder nist allies. of North Vietnam's major industrial facilities -mainly the large chemical, fertilizer, and engineering plants and the large undamaged part of the cement plant -- would not add significantly to the problems of the civil population or detract significantly from the military effort. Added imports would be required, but not at a level beyond North Vietnam's present import and distribution capability.

#### 5. Transportation

Air strikes against the transport system of North Vietnam during the past two years have not significantly affected North Vietnam's transport capability or its ability to move supplies in support of the economy or the war effort. There have been no indications of serious supply shortages or bottlenecks. Interdictions have been effectively repaired, and the use of rail ferries, pontoon bridges, bypasses, and shuttling facilities has been effective in reducing time lost due to damage caused by air strikes.

The capacity of nearly all major transport routes continues to be greater than the volume of traffic to be moved on the routes -- thus traffic delayed due to bombing is moved after repairs are made. A comparison of performance estimates for the entire transport system indicates that, while total ton-kilometer performance has declined slightly, the total amount of tons carried has increased from year to year (see Table 1). Performance on the rail lines has decreased from the high in 1964, when tons carried were 4.13 million and ton-kilometers equaled

927 million. In 1966, it is estimated that 3.3 million tons were carried and ton-kilometers reached 620 million. The decline in rail performance is attributable for the most part to the loss of apatite exports normally carried by rail to Haiphong and to the ending of Chinese rail transit traffic through North Vietnam.

Performance on the highways has increased slightly, and waterway and coastal transport have shown the largest increases. The increased use of these modes of transport reflects North Vietnam's increasing reliance on means of transport which are less vulnerable to air attack.

Table 1
North Vietnam's Transport Performance, 1963-1966

***************************************				
	]	Million T	on-Kilome	
	<u>1963</u>	1964	<u>1965</u>	1966
Railroad	847	927	770	620
Highway	164	179	200	200
Inland waterway	448	490	540	590
Coastal waterway	142	156	170	190
Total	1,601	1,752	1,700	1,600
		Million		
	1963	1964	<u>1965</u>	1966
Railroad	3.86	4.13	3.7	3.3
Highway	6.71	7.18	7.9	7.9
Inland waterway	6.56	7.01	7.7	8.5
Coastal waterway	0.35	0.37	0.4	0.5
Total	17.48	18.69	19.7	20.2

The data on performance make it clear that the transport network is still providing adequate service to meet the country's economic and military needs.

#### a. Railroads

The Rolling Thunder program has had some adverse effects on the railroad system of North Vietnam during the past year, but in general the network is still capable of fulfilling the country's requirements. The destruction of the rail bridge at Viet Tri in the summer of 1966, the most significant result of the program against lines of communication during the year, reduced the capacity of the Hanoi-Lao Cai line from 3,000 to 600 tons each way per day. The line south of Hanoi has been repeatedly attacked -reducing capacity from 1,800 to 500 tons each way per day and heavily damaging the rail yard facilities at Vinh, Thanh Hoa, and Nam Dinh -- but this line accounted for less than five percent of the total rail performance in North Vietnam prior to the initiation of the Rolling Thunder program. Infrequent attacks against the Hanoi-Thai Nguyen and Kep-Thai Nguyen lines have disrupted through traffic for only a day or two at a time. However, attacks against the Thai Nguyen rail yard in the first quarter of 1967 have created more severe problems for the movement of traffic on the Kep-Thai Nguyen and Hanoi-Thai Nguyen lines.

During April 1967 the Hanoi Railway/ Highway Bridge over the Canal des Rapides was struck. A photo mission of 30 April indicated that two spans are destroyed and that the rail line north of the bridge is interdicted. This destruction cuts Hanoi's connection with the Lao Cai and Dong Dang lines and should effectively limit operations until the bridge is reconstructed or bypasses are built. The important line between Hanoi and Haiphong, on which most of North Vietnam's import and export materials enter and leave the country, has been open for through traffic most of the time during the Rolling Thunder The Hanoi-Dong Dang line, the other major import-export rail line in North Vietnam, has been only intermittently attacked during much of the Rolling Thunder program. However, during the last

two weeks of April 1967 the level of air strikes against the line increased, probably disrupting traffic for a few days. The key rail yards at Vu Chua, Kep, Bac De, and Cao Nung were attacked, as were the bridges at Bac Giang and Dap Cau.

Despite two years of bombing, there have been no significant, adverse effects on the North Vietnamese rail system as a whole. Indeed the system has been extended and improved. The network is still able to move adequate supplies to meet the country's requirements, although hindered at times by interdictions, shuttling, and damaged yard facilities. In terms of total capacity on all lines, the system has improved slightly during the past year as the Kep-Thai Nguyen line has been completed and dual-gauging is in progress.

#### b. Highways

Air strikes against the highway system of North Vietnam have had no sustained effects on motor truck operations. The road system serves primarily as a short-haul feeder service for the railroads and connects areas not served by other transport facilities. The majority of the air strikes have been concentrated in the region south of Thanh Hoa, with Routes 1A, 15, and 7 receiving the heaviest damage. Although traffic has been interrupted and slowed by frequent interdictions and the need for shuttling operations, North Vietnamese repair efforts have been effective and sufficient to maintain traffic at required levels. Route 15, near the Mu Gia Pass, however, has been repeatedly attacked and seeded with delayed action bombs, and maintenance of traffic on this route has probably been difficult.

Nevertheless, average truck traffic, as reported by ground observers, has increased significantly during the first quarter of 1967 compared with past years. It is estimated that the tonnage delivered daily by truck into Laos along Routes 7 and 15 during the current dry season is considerably higher than that delivered during the 1964-65 and 1965-66 dry seasons.

#### c. Waterways

Attacks against the waterway system in North Vietnam have not appreciably affected operations on the inland waterways or along the coast. While important transshipment areas such as Quang Khe, Dong Hoi, and Vinh have been repeatedly attacked, causing supplies to be off-loaded "over-the-beach" in many instances, the system remains very flexible and capable of meeting the country's requirements because of the ability of the North Vietnamese to restore, improvise, or relocate their transfer operations.

The mining of the Kien Giang, Song Ca, Song Giang, and Song Ma rivers, all key waterways in the southern portion of the country, has probably impaired operations in these areas. Sightings of watercraft in the mined areas declined, but did not cease, after the mining. Through the use of countermeasures, operations are now being maintained at fairly normal levels. Total sightings of watercraft by pilots and naval observers have remained at fairly constant levels -- with some minor fluctuations -- throughout the bombing.

#### d. Railroad Yards and Shops

Eight comparatively important railroad yards have been attacked since the beginning of the Rolling Thunder program, four of which are JCS targets. Two of these yards, at Gia Lam and Thai Nguyen, also have railroad repair facilities in the complex. In addition, many small yards and sidings have been attacked under miscellaneous armed reconnaissance.

The key rail yard and repair facility at Gia Lam was attacked in April 1967 and is one of the most significant air strikes against rail yards thus far in 1967.

numerous buildings and some rolling stock were destroyed. Sixteen percent of the rail car repair shop floor plan is estimated to be destroyed, as well as 27 percent of the floor plan area of support buildings. In general, more than 5 percent of the national capacity of North Vietnam's railroad repair

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shops and over 20 percent of its rail yard capacity had been neutralized as of 8 May 1967. The cost of restoration of the damage inflicted on railroad yards and shops from January to April 1967 is estimated at \$2.2 million, bringing the total of such damage by the Rolling Thunder program to about \$3.5 million. Most of this estimate stems from the cost of repairing or reconstructing warehouses and other buildings rather than yard track. Air strikes have resulted in only temporary disruption to through service, and damage has usually been restored in about 24 hours after each attack.

#### 3. Maritime Ports

Six North Vietnamese ports, representing 88 percent of the country's total maritime cargo-handling capacity, have been selected as JCS targets. Ben Thuy -- which represents 4 percent of the total capacity -- and Ham Rong -- which accounts for only 1 percent -- were struck in 1965. During 1966, Ben Thuy was restruck and Cam Pha -- which represents 16 percent of the total capacity -- was attacked for the first time. Ben Thuy was the only port struck during the first four months of 1967. Damage to port facilities through 1966 is estimated at \$1.4 million. Information is not available to assess the damage done in 1967.

The direct impact of this damage on North Vietnam's economy is not significant, although significant indirect export losses have resulted, particularly from the attacks against the port of Cam Pha. Twenty-one percent of the cargo-handling capacity at Cam Pha has been destroyed, representing a nominal cost of only \$160,000. During the attacks, however, Cam Pha's coal-washing machinery and rail facilities were also hit, reducing the port's capacity for producing washed and graded coal. The damage to these facilities resulted in coal export losses of more than \$6.8 million through April 1967.

#### f. Transport Equipment

Destruction and damage of all types of transport equipment by air strikes increased during the first quarter of 1967, compared with the same

period in 1966. However, the extent of destruction and damage was significantly lower than the quarterly average in 1966. Destruction and damage of trucks and watercraft increased significantly in the month of April and reached the peak levels obtained during the summer of 1966. Table 2, which is based primarily on pilot reports and includes some duplication,\* provides a general indication of the damage inflicted, by type of equipment.

The estimated cost to the North Vietnamese of replacing or repairing transport equipment damaged from the initiation of air strikes through the first four months of 1967 is estimated at \$41.4 million.

While the level of damage inflicted during 1966 and 1967 was significantly higher than in 1965, there has been no evidence of serious transport problems resulting from equipment shortages. Imports of trucks have been sufficient to maintain the inventory at previous levels. Imports of railroad rolling stock have not equaled the reported attrition rate,\*\* but there is no indication of any problems associated with rail equipment shortages. In addition, Chinese rail equipment is available in sufficient numbers to compensate for any shortages. Destruction and damage of watercraft have not been significant in relation to the North Vietnamese watercraft inventory.

<sup>\*</sup>Data have been adjusted downward to eliminate duplication whenever possible.

<sup>\*\*</sup>Reported losses of railroad rolling stock have included many small, makeshift cars used on the rail line south of Hanoi which are not included in the inventory estimate of mainline freight cars.

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Table 2

North Vietnam: Destruction and Damage of Transport Equipment 1965-66 and First Quarter 1967

							· · · · · · · · · · · · · · · · · · ·	Units
	1965 - 10	Months	1966 - 12	Months	Quarte Average		First Quar	tor 1067
Type of Equipment	Destroyed	Damaged	Destroyed	Damaged	Destroyed	Damaged	Destroyed	Damaged
Locomotives	6	6	. 10	14	2.5	3.5	0	0
Rail freight cars	227	592	1,101	935	275	234	61	84
Trucks	318	487	1,935	1,801	484	450	178	172
Ferries	53	56	67	131	17	33	0	1
Barges	263	487	2,520	4,289	630	1,072	453	1,313
Other watercraft	144	210	867	1,372	217	343	79	234
Total	1,011	1,838	6,500	8,542	1,625	2,135	771	1,804

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#### g. Bridges

The number of attacks against JCS-targeted bridges increased slightly in 1966 compared with 1965, but the number of such bridges attacked was slightly less than the total in 1965, as shown in the following tabulation:

	196	·		66	January-	April 1967
	Strikes	Bridges	Strikes	Bridges*	Strikes	Bridges*
Rail and rail/highway	67	14	110	16	34	10
Highway	77	30	76	23	42	13
Total	144	44	186	39	76	23

<sup>\*</sup>Including bridges struck initially before the time period.

In the first four months of 1967, 76 strikes were conducted against 23 bridges, all but two of which had been previously attacked. The number of strikes against highway bridges decreased slightly during 1966, while strikes against rail and rail-highway combination bridges increased. During the first four months of 1967, this trend was reversed.

The total number of bridges, (both JCS-targeted and non-targeted) confirmed by available photography to have been damaged or destroyed by the Rolling Thunder program now stands at 410. In this total, which includes both original and bypass bridges, there are 303 highway, 77 railroad, and 30 combination railroad/highway structures. These figures understate somewhat the number of smaller bridges (primarily highway) that actually have been damaged or destroyed because photography may not be available for some of these bridges. The estimated cumulative cost of completely restoring the confirmed damaged or destroyed bridges to their original condition

through March 1967 would be \$20.7 million -- an increase of 9 percent since 31 December 1966 and double the estimate of 1965.\* It is estimated that at least \$4.1 million have been spent already on temporary repairs to bridges through March 1967, of which an estimated \$0.8 million were spent during the first quarter of 1967. Estimated cost for temporary repairs to the number of unrepaired bridges at the end of March 1967 is \$1.25 million.

Although estimates of what it would cost the North Vietnamese to restore bridges to their original condition or how much they have spent on temporary repairs are of value, they do not give any qualitative answer to the effects of bomb damage on bridges. Thus a survey of the 410 bridges confirmed by available photography to have been damaged or destroyed showed that 377 bridges have had one or more "serious damage occurrences" (SDO's).\*\* There have been a total of 598 SDO's since the beginning of the bombings in February 1965 through March 1967. The number of SDO's by year and the average number of times each of the 377 bridges were interdicted are as follows:

<sup>\*</sup>The estimated costs for restoring bridges to their original condition as of the end 1965 and 1966 were \$10.1 million and \$19 million, respectively.

<sup>\*\*</sup>A "serious damage occurrence" consists of initial hits and re-hits and is defined as damage sufficiently severe that a crossing is denied to users until a significant amount of repairs has been performed -- requiring considerable time, materials, and labor. For example, serious damage would include a dropped span(s), a destroyed pier(s), or a destroyed abutment(s). Holes in a deck, cratered approaches, twisted superstructure, or a slight shifting of spans is not considered serious damage.

Year	SDO's	Number of Bridges with SDO's	Average Number of Interdictions Per Damaged Bridge
1965	218	177	1.23
1966	334	185	1.81
1967 (first quarter	46	15	3.07 <u>a</u> /

<sup>\*</sup>The high figure for the first quarter of 1967 is not comparable to the earlier two periods because the time span is too short for a meaningful comparison.

While a specific bridge may be interdicted an increasing number of times, in most cases the crossing is bypassed in a variety of ways. Bypass bridges, moreover, have not been damaged as extensively as the original bridges. Of the 129 bypass bridges observed in aerial photography, only 30 have sustained 46 SDO's.

#### B. 2. Indirect Effects

The air campaign has also resulted in sizable losses to the economy of North Vietnam, which are indirect results of the bombing. The principal indirect losses result from shortfalls in production, disruptions of normal economic activity, and the impairment of foreign exchange earnings through decreases in the quantities of goods available for export. Many of these losses cannot be quantified. The few that can -- reductions in agricultural output and the fish catch, and the loss of export earnings -- totaled \$53.5 million through April 1967, or almost one-third of total economic damage. The unquantifiable losses -- production inefficiencies, the costs of dispersing industry, civil defense measures, production losses due to lack of power, the reallocation of manpower, and the like -- undoubtedly total in the tens of millions of dollars.

#### a. Agriculture and Fishing

Although agriculture and commercial fishing have not been direct targets of the air strikes against North Vietnam, the bombing campaign has had significant indirect effects on production. These indirect effects have resulted from the disruption of normal farming and fishing schedules, the loss of some managerial cadres and labor due to transfer to war-related activities which has intensified manpower problems during peak loads in the crop cycle, and disruptions in the manufacture and distribution of fertilizers. Since it is not possible to separate the effects of the bombing campaign from the effects of adverse weather on agriculture, the estimates of losses in agricultural output also include those resulting from adverse weather.

The cumulative losses in agriculture and fishing through the first four months of 1967 are estimated at about \$33.3 million as shown in the following tabulation:

			Millio	n US \$
Losses from	1965	1966	January-April 1967	Total
Rice Production	3.5	22.0	N.A.	25.5
Fishing	1.7	3.3	2.8	7.8
Total	5.2	25.3	2.8	33.3

The shortfall in rice production is estimated to be about 300,000 tons below the normal average of about 4.5 million tons. Although all of

this loss occurred in 1966, \$3.5 million is attributed to the effects of bombing in 1965 because the spring rice crop was planted in that year. The final outcome of the 1967 spring rice crop -- normally about one-third of the annual harvest -- cannot yet be evaluated. However, the acreage planted was less than usual and transplanting of the crop was delayed, so that the harvest probably will be below normal. The loss in the salt-water fish catch resulted primarily from the interruption of normal fishing activities because of the threat of air attack.

Recent information indicates that agricultural and fish shortages have contributed to a deteriorating food situation in North Vietnam. Saltwater fish, fish sauce, sugar, and meat are reported to be in short supply. Prices of many food items have risen, and known seaborne imports of bulk foods during the first four months of 1967 -- about 100,000 tons -are nearly nine times the volume known to have been imported by sea during the same period in 1966. ever, these imports amount to about two percent of the normal annual production of rice, and has become critical. Fresh-water fish and vegetables are adequate in many areas, and the rice ration -- albeit frequently mixed with corn and other subsidiary crops -- has been other maintained. hardships fail to suggest critical food shortages.

#### b. Export Losses

The cumulative measurable value of reductions in seaborne exports attributable to the bombing

through April 1967 was about \$20.2 million,\* as shown in the following tabulation:

			Thousand US \$	
	<u>Apatite</u>	Cement	Coal	<u>Total</u>
<u>1965</u>				
2nd quarter 3rd quarter 4th quarter	665 1,043 1,554	192 324 395	0 0 0	857 1,367 1,949
Subtotal	3,262	911	0	4,173
1966				
lst quarter 2nd quarter 3rd quarter 4th quarter	1,554 1,554 1,457 1,554	205 40 244 243	0 1,476 2,192 1,060	1,759 3,071 3,893 2,857
Subtotal	6,118	733	4,729	11,580
1967				
lst quarter April	1,554 518	199 113	1,273 835	3,026 1,466
Total	11,452	1,956	6,837	20,245

<sup>\*</sup>Estimated dollar equivalents at f.o.b. prices.

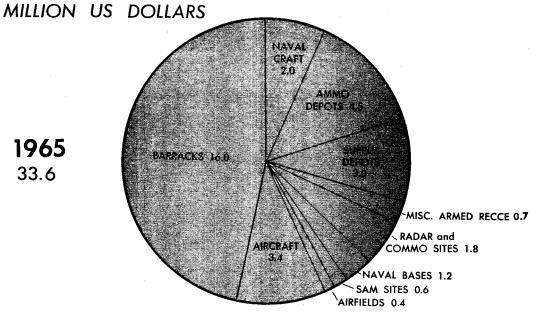
Seaborne exports of apatite ceased abruptly after the interdiction of the Hanoi-Lao Cai rail line in July 1965 and when stockpiles at Haiphong became exhausted early in August. It is possible, however, that some apatite has been exported by rail from the mines near Lao Cai to China. Although known seaborne exports of cement declined after the initiation of the Rolling Thunder program,

no direct connection between the program and the decline can be determined. It is possible that cement has been exported to China without being detected. Coal shipments decreased rapidly after the coal-processing facilities at Cam Pha, North Vietnam's major coal port, were damaged in April 1966, and huge stockpiles were drawn down. After a slow recovery to over half the pre-strike level, exports declined sharply again in March and April 1967. This decline apparently resulted from the combined effects of damage to the Hon Gai powerplant, which supplies power for both the Hon Gai and Cam Pha port areas, and direct damage to coal-processing facilities. Seaborne coal shipments in April were the lowest recorded in the last 16 months.

#### C. Military Damage

The damage to military target systems through April 1967 is estimated at \$67.6 million (see the chart, Figure 2). Losses of aircraft and damage to barrack complexes comprised most of the damage, each accounting for 29 percent of the total. damage inflicted on military targets has had no significant impact on North Vietnam's military capabilities. The ammunition depots are the only military target system to have been attacked in depth. Yet the loss of about 70 percent of ammunition storage capacity has had no measurable impact on the availability of ammunition. No other military target system has lost as much as 25 percent of its prestrike capacity. Although 24 percent of the capacity of barrack facilities has been destroyed, most of the barracks attacked had been inactive by the end of 1965, the years when they were first attacked. Despite the air attacks the North Vietnamese have been able to strengthen and improve the capability of most military target systems since the bombings started. Fighter aircraft facilities in North Vietnam are still sufficient to meet requirements. inventory of SAM sites and radar and communications facilities has increased markedly since the bombings

# MILITARY DAMAGE



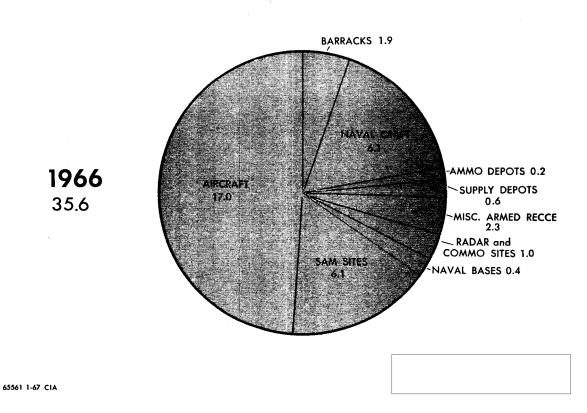


Figure 2. Value of Military Damage in North Vietnam, by Sector, 1965 and 1966

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started. Although fighter aircraft losses have increased in recent months, the fighter inventory has been maintained at about its level at the end of 1966.

The effects of the damage inflicted on military target systems are discussed in the following sections.

# 1. Barracks

North Vietnam had a total barracks capacity for about 443,000 men at the beginning of the bombing, of which JCS-targeted barracks had a capacity for 182,000 men. About 75 percent of the JCS-targeted barracks had been attacked by the end of April 1967, with a loss of capacity -- either destroyed or inactive -- for about 107,000 men. This loss represents about 24 percent of the total barracks capacity in North Vietnam, compared with nearly 23 percent at the end of 1966 and about 18 percent at the end of 1965. In addition, non-targeted barracks also have been struck under the miscellaneous armed reconnaissance program, but the loss of capacity resulting from this program cannot be estimated.

Air strikes against JCS-targeted barrack complexes during the first four months of 1967 exceeded the total flown during all of 1966. The return from these strikes has been disappointing, yielding damage of only \$1.3 million compared with \$2.5 million in 1966 and about \$16.0 million in 1965. The decreasing returns reflect the fact that most of the strikes are against already damaged or inactive complexes.

The loss of both targeted and non-targeted barracks capacity in the outlying areas -- primarily in the southern part of the country, along the border of Laos, and in the northwestern provinces -- undoubtedly is causing much inconvenience. Damage to barrack complexes in these areas has not been repaired and the remaining barracks have usually been vacated. The

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troops apparently are being quartered with civilians in nearby villages, in tents, or in other makeshift shelters in the surrounding area. The North Vietnamese have had sufficient time to adjust to the loss of barracks in these areas, however, and the housing problem probably is less inconvenient now than it was at the end of 1965.

# 2. Airfields

No significant change in the capability of targeted airfields in North Vietnam has occurred since 1965, when as a result of air strikes, about 19 percent of airfield capacity was judged to be destroyed or inactive. This estimate does not include the results of the April strikes against the airfields at Kep and Hoa Lac, because of the lack of photography with which to make a reliable damage estimate. The confirmed damage to date is estimated at only \$0.4 million. The attacks on airfields have probably had only a limited military or economic impact. Although the airfields at Kep and Hao Lac both had jet handling capabilities, their complete loss would not seriously impede North Vietnam's capability to mount air operations.

In fact, fighter aircraft facilities in North Vietnam, which were inadequate at the beginning of the bombing, have been expanded significantly -even outpacing the MIG inventory. The gradual expansion of the basic airfield and control apparatus apparently has been tailored to specific air defense needs to counter the Rolling Thunder program. At least four airfields -- Hanoi/Gia Lam, Phuc Yen, Haiphong/Cat Bi/Kien An -- could support MIG operations at the end of April 1967, and an additional airfield under construction at Bai Thuong will be able to accommodate jets when it is completed. The airfields at Kep and Hao Lac also had jet capabilities at the end of March but their present status is unknown. North Vietnam now has the capacity for expanding the MIG inventory and preparing for more aggressive air operations. In the event of attacks on the major airfield at Phuc Yen, the North Vietnamese can still sustain a fighter force, although less effectively, in the Hanoi area.

#### 3. SAM Sites

From July 1965 through April 1967, approximately 450 air strikes were directed against SAM installations in North Vietnam. The assessment of the effects of these strikes has been severely limited by the lack of post-strike photography.

The following tabulation reflects the minimum damage estimated to have been inflicted on SAM facilities:

			Thousand	US \$
	1965	1966	Jan-7 May	m - 1 - 1
			1967	Total
SAM Facilities				
Firing sites	310	900	130	1,340
Support facilities	1,600	170	300	2,070
Total	1,910	1,070	430	3,410

The attacks on the SAM sites have not significantly affected the total number of active SAM battalions, which have increased steadily and by spring 1967 totaled from 28 to 32 units. In addition, the number of prepared or pre-surveyed sites now totals at least 162.

By 7 May 1967, over 2,250 SA-2 missiles had been fired at Allied aircraft, resulting in the destruction of 55 airplanes (43 confirmed and 12 probable) and 29 reconnaissance drones.

#### 4. Naval Bases

By the end of April 1967, nearly 20 percent of North Vietnam's naval base support facilities were destroyed or inactive, compared with about 15 percent at the end of 1965. The cumulative cost of repair for the damage inflicted is estimated at nearly \$1.6 million. It is doubtful that the damage to the naval

bases has seriously affected the operations of the small North Vietnamese navy. Restoration of the damaged facilities can be accomplished quickly and without foreign assistance.

# 5. Radar\*

North Vietnam expanded its radar system considerably during the first four months of 1967. At the end of April the country had over 160 known early warning and ground control intercept radars at 60 sites, compared with 149 known radars at 50 sites at the end of 1966. Five of these sites are JCS-targeted because of their strategic locations along the coast.

During 1965-66 the targeted sites at Hon Matt and Hon Nieu were totally destroyed, those at Vinh Son and Bach Long were damaged, and there was no significant damage to the site at My Duc. The cumulative cost of damage to these sites is estimated at \$2.6 million. The destroyed site at Hon Nieu was reactivated during the first quarter of 1967, and the sites at Vinh Son and My Duc were strengthened appreciably by the deployment of additional early warning, searchlight control, heightfinding, and fire control radars. There were no known attacks against these radar sites during January-April 1967.

#### 6. Communications

North Vietnam's telecommunications system remains operationally intact not only because relatively few facilities have been targeted and attacked, but also because of large-scale imports of equipment. In fact, the overall capabilities of the system may have been improved since the beginning of the Rolling Thunder program. Radio facilities have been expanded

In addition, the North Vietnamese have taken steps to reduce the potential effects of air strikes on the telecommunications system. Newly constructed open wirelines are being placed from 150 to 600 yards away from railroads and highways, telephone poles are being

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<sup>\*</sup>Excluding radar associated with SAM sites.

pre-positioned along wireline routes, and a blast wall has been constructed around the radio broadcasting complex at Me Tri.

By the end of April 1967, the cumulative cost of the damage inflicted by air strikes amounted to only about \$185,000, of which about \$105,000 occurred during 1965 and about \$80,000 during 1966. No confirmed damage was inflicted on the system during the first four months of 1967.

# 7. Supply and Ordnance Depots

Four of North Vietnam's JCS-targeted military supply and ordnance depots were attacked during January-April 1967, two for the first time. The most significant strike during the period was against the Thai Nguyen Army Supply Depot North which serves the area north of Hanoi and represents nearly 4 percent of the total national capacity.

Only about 17 percent of North Vietnam's supply and ordnance storage capacity was destroyed or inactive as a result of air strikes through April 1967. The damage inflicted is estimated at about \$5.0 million. Except for the depot at Thai Nguyen and those at Vinh and Yen Bai (which were struck prior to 1967), the depots attacked are of relatively minor importance to the North Vietnamese Army. However, the functions that were performed by these depots are essential to maintain the infiltration system in support of activities in South Vietnam and Laos. The requirement to operate from a dispersed logistics base has probably resulted in increased management problems and reduced efficiency.

# 8. Ammunition Depots

During January-April 1967, five JCS-targeted ammunition depots -- Hon Gai, Vinh Yen, Haiphong, Bac Giang, and Cam Ly -- were attacked for the first time, and the ammunition depot at Phu Qui was restruck. The cost of restoration of the depots at Hon Gai and Haiphong is estimated at \$100,000 each. There was no loss of capacity at the Phu Qui and Bac Giang depots, and there is no information available on which to base an assessment of damage inflicted on

the Vinh Yen and Cam Ly depots. By the end of April 1967, at least 70 percent of the capacity of North Vietnam's JCS-targeted ammunition storage facilities had been destroyed or was inactive. The cumulative cost of the damage inflicted through April is estimated at about \$4.9 million.

The loss of ammunition depots has been inconvenient to the North Vietnamese and probably has resulted in temporary delays in distribution. The loss apparently has not, however, caused prolonged shortages of ammunition in the areas where the depots are located. More than 60 percent of the targeted depots (all of which have been attacked) are inactive, and airstrikes during the past year apparently have not significantly affected the overall storage of ammunition in North Vietnam.

# 9. Naval Craft

The destruction of eight North Vietnamese naval craft\* has been confirmed as of April 1967: four Swatow-class gunboats in 1965 and three PT boats and one SO-1 subchaser in 1966. The cost of these losses is estimated at \$3.8 million. The small North Vietnamese navy currently is estimated to include 12 Swatow-class gunboats, 13 PT boats, 3 SO-1 subchasers, and 4 unidentified naval craft.

#### 10. Aircraft

The North Vietnamese lost 17 MIG-21's and 29 MIG-17's through April 1967 from attacks by US aircraft. Eleven MIG-21's and 8 MIG-17's were destroyed during the first four months of 1967. The cost of all aircraft losses is estimated at \$19.4 million, of which \$10.4 million is attributed to losses during January-April 1967. The MIG inventory of 30 April 1967 included 16 MIG-21's and 87 MIG-15/17's.

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<sup>\*</sup>Excluding the 8 and 10 naval craft destroyed by the Pierce Arrow attacks in August 1964 following the Gulf of Tonkin incidents.

The North Vietnamese have replaced all but those aircraft lost during the latter part of March and April. North Vietnam's air force has taken an increasingly aggressive role in air defense systems when vital targets are attacked, and it apparently plans to keep the jet fighter inventory at least at the present level or increase it in the future.

# D. Miscellaneous Targets of Armed Reconnaissance

Most of the damage resulting from the armed reconnaissance program has been discussed in earlier sections of this memorandum under the major categories of targets. Pilot reports, however, have indicated a variety of miscellaneous targets -- principally transport and military facilities -- as destroyed or damaged and which cannot be included in the major target categories.

Because of the nature of air operations, it is difficult to provide a definitive evaluation of the results of air strikes based on pilot reports. There is some double-counting in the reports and a tendency for pilots to overestimate the amount of destruction or damage inflicted. In addition, the description of the targets is usually imprecise. The cost of damage can thus be based only on an assumed level of damage to a typical target in each category. With these limitations in mind, the total cost of replacement or restoration of the miscellaneous targets destroyed or damaged by armed reconnaissance strikes is estimated at about \$7.8 million, as shown in the following tabulation:

	<del></del>		Millio	n US \$
	1965	1966	January-April 1967	Total
Economic facili- ties and equip- ment	N.A.	1.2	0.2	1.4
Military facili- ties	0.7	3.1	2.6	6.4
Total	0.7	4.3	2.8	7.8

# E. Manpower Effects

The effects of the Rolling Thunder program on North Vietnam's manpower resources are twofold -- the loss of manpower as casualties to air strikes, and the diversion of substantial amounts of manpower to tasks associated with air defense and civil defense programs and to repair, reconstruction, dispersal, and transport programs.

# 1. Casualties

Preliminary estimates of casualties for the first quarter of 1967 demonstrate the stepped-up rate of the Rolling Thunder program. The monthly casualty rate increased from an average of 2,200 during 1966 to 2,800 in early 1967 (see Table 3). Markedly greater armed reconnaissance strikes in heavily populated Route Package IV were chiefly responsible for the increase in the casualty/sortie ratio from 0.32 in 1966 to 0.40 in January-March 1967. In addition, fixed targets selected for initial strikes in early 1967 were situated in heavily defended areas of greater civilian population density.

Table 3

North Vietnam: Estimated Casualties 1965 - March 1967

<del></del>				
	1965	1966	First Quarter 1967*	<u>Total</u>
Civilians				
Fixed targets	2,000	900	300	3,200
Armed reconnaissance	•	18,000	6,000	28,100
	,	,,	,,,,,,	,
Subtotal	6,000	19,000	6,300	31,300
Military				
Fixed targets	4,300	400	700	5,400
Armed reconnaissance	2,900	7,300	1,300	11,500
	_,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_, -, -, -,	,
Subtotal	7,200	7,700	2,000	16,900
				= - 7
Total	13,200	26,700	8,300	48,200
		= - /	- , - 0 0	13,200

<sup>\*</sup>Based on preliminary data.

The estimates of casualties resulting from the bombing of North Vietnam are subject to unknown and conceivably large margins of error. Information from Hanoi has generally been of little value in estimating casualties. Two recent reports, however, make us reasonably confident that our estimates are of the right order of magnitude. The first report, a detailed statement from Hanoi, "Report of US War Crimes in Nam Dinh City," released a number of statistics and allegations concerning the US bombing of Nam Dinh during 1965-66. The information presented in this report seemed to be accurate when measured against detailed studies made on the basis of post-strike photography. The casualties claimed by the North Vietnamese were also consistent 25X1 with independent casualty estimates made by this Agency, using Nam Dinh as a pilot study. A second report in late April 1967

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that only 20,000 North
Vietnamese had been killed by the US bombing from
August 1964 to date. This statement closely corresponds to our own estimate. We have previously estimated
that about 40 percent of the total casualties are killed and the remainder wounded. On this basis we would estimate that slightly more than 19,000 of the total casualties through March 1967 were killed,

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Although the monthly rate of casualties continues to increase and to be heavily weighted with civilians, the total casualties are small in relation to total population. Civilian casualties continue to be primarily those involved in war-supporting activities such as the repair of bomb damage and the operation in maintenance of logistic supply lines.

# 2. Diversion of Manpower

a figure remarkably close to that reported

Air strikes against North Vietnam have required the services of 575,000 to 700,000 individuals -- about equally divided between full-time and part-time workers.

	Thous	sand Persons
Task	Full-Time	Part-Time
Loc repair and reconstruction	. 72	100 to 200
Transport and dispersal	100 to 120	25
Civil defense		150
Air defense	83	25 to 30
Coast defense	20 to 25	••• ••
Total	275 to 300	300 to 405

Most of the full-time workers repairing LOC's are deployed in the four Route Packages south of Hanoi which have borne the brunt of the Rolling Thunder program. In addition to these Vietnamese workers, up to 34,000 Chinese engineering troops are employed north of Hanoi to repair and reconstruct the two rail lines to China. Additional 19,000 North Vietnamese workers are estimated to be in the Laotian Panhandle expanding and repairing the infiltration corridors to South Vietnam.

Although the total manpower requirements stemming from the air war may have limited somewhat North Vietnam's capability for sustained large-scale operations in South Vietnam, and to some degree contributed to a shortfall in agriculture, the diversions have not placed a relevant ceiling on North Vietnam's ability to infiltrate troops into South Vietnam. example, the full-time requirement for 172,000 to 192,000 civilians for LOC repair and transportationdispersal operations is only about 4 percent of the estimated 4.3 million males in the 15 to 49 age group. Only in relatively lightly populated but heavily attacked Route Package I does the labor force required to counter the bomb damage account for a significant -- up to one-fourth -- share of the labor force. In this area substantial numbers of laborers have probably been imported from other areas of North Vietnam to repair roads and speed the transport of goods.

Most of the workers perform only manual labor requiring no special skills, and they can easily be recruited from city evacuees, farms, and fishing villages with a minimum of dislocation to the economy. Other tasks such as the operation of construction machinery, bridge repair, bypass construction, and rail repair do require higher skill levels. Permanent crews to perform these types of functions impose a burden on the economy in two important ways. Because personnel possessing modern skills such as heavy equipment operation are in short supply in North Vietnam, a step-up in the bombing spreads a thin resource even thinner. Second, the logistical needs of the full-time construction personnel place an additional requirement on North Vietnam's economy for food, housing, medical services, and the like.

In addition to skilled and unskilled full-time workers, part-time personnel are used on a stand-by basis to repair LOC's, transport supplies, and serve as civil defense workers. Typically these jobs -- such as repair of craters or transloading a boxcar -- require a low-skill worker and are essentially of a "one shot" nature. The temporary absence of such laborers from their primary jobs for several hours or days causes small losses to the economy.

Although the total number of and the skill requirements for full- and part-time workers are well within tolerable limits, the shortage of experienced cadre to plan, coordinate, and direct the ambitious and imaginative system of countermeasures which North Vietnam has devised is a more serious problem. The need for experienced and aggressive cadre in the North competes directly with the need for military cadre in the South. The neutralization of North Vietnam's modern industrial facilities will probably free some of this scarce talent, but accelerating needs for technologically skilled personnel for operating repair services, transportation crews, and civil defense programs will probably intensify the shortage. On the other hand, after more than two years of bombing, the North Vietnamese are much more experienced at countermeasures than formerly, and as long as morale remains high and imports of necessary equipment continues, North Vietnam will not be faced with a crippling shortage of labor, either skilled or unskilled, unless losses in the South increase sharply.

# II. Effectiveness of Countermeasures

The major effect of the air attacks against North Vietnam has been to force Hanoi to cope with extensive disruption to normal economic activity. The greatest effort has been required in the fields of transportation and distribution, in order to keep supply lines open to the South and to maintain the distribution of essential economic and military supplies. A considerable effort has also been required to maintain the essential level of output from North Vietnam's limited industrial capacity in order to counter the effects of air attack and to sustain a capability to support the war in the South. These programs have forced significant reallocations of manpower and rapid increases in the flow of military and economic aid from other Communist countries.

Through the skillful and sometimes ingenious use of a number of countermeasures the North Vietnamese have met with considerable success in withstanding the pressures of US air power. These countermeasures are discussed in the following sections.

#### A. Civil Defense

The North Vietnamese have developed an extensive civil defense system characterized by increased precautions to minimize casualties, an extensive shelter system, the dispersal of large parts of the urban population, and radical adjustments in school, work, and marketing hours to avoid large concentrations of people during daylight hours.

During the third quarter of 1966 there was an intensified program to refurbish and to expand the shelter system. According to the North Vietnamese press, some 55,000 shelters were built in Haiphong during one 10-day period. In the city of Vinh it is claimed that every family has its own shelter. Almost every area of the country reports the construction of thousands of shelters and many kilometers of trenches. Although the number of shelters and protective facilities cannot be quantified, a new intensification of the program during the first quarter of 1967, aerial photography

make it obvious that the program is ex-

tensive.

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In addition to the shelter program, North Vietnam has vigorously pursued a program of urban evacuation and industrial dispersal.\* Urban evacuation was accelerated after the air strikes on petroleum storage facilities near Hanoi and Haiphong in mid-1966 and has acquired a new momentum after the strikes in these areas during the past months. Most cities appear to have evacuated a substantial portion of their population. Foreign observers and the North Vietnamese press agree that Hanoi and Haiphong have probably evacuated half their population. Ninety percent of the population of Hai Duong city is reported to have been evacuated, and only 2,000 of Thai Binh's 19,000 residents are reported to remain. Nam Dinh reportedly has reduced its population of 95,000 to 20,000 or 30,000.

The urban evacuation that has been achieved probably approximates the desired level. In fact, recent North Vietnamese newspaper accounts of evacuation appear to be more concerned with the problems encountered in resettling than with encouraging further evacuation. Unsanitary conditions, separations among families, and a cool reception by residents in resettlement areas continue to have an adverse effect on evacuees. Moving people out of cities, the mayor of Hanoi has conceded, is less a problem than providing them with supplies, housing, schools, and means for earning a livelihood. Despite the difficulties of the program, the reduction of urban populations is regarded by the regime as a prudent measure and has been credited with limiting the number of casualties.

The North Vietnamese population is apparently well disciplined and responsive to civil defense measures. The intensification of US air attacks has meant, however, that routine activities have become increasingly disrupted. In an attempt to minimize the disruptive effect of air raid alerts -- reported to number as many as 18 a day -- North Vietnam has modified alert procedures for port workers in Haiphong and Hon Gay.

stevedores are required to con-

tinue working after air alerts are signaled, taking cover only at the sound of antiaircraft fire.

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<sup>\*</sup>Industrial dispersal is discussed in C.

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Similar steps have been taken in Hanoi to reduce the harassing effect of air raids. Reportedly, no alarm is sounded in the capital city until hostile aircraft have entered within a 20- to 30-km. radius of the city. In some instances

air raid alerts have coincided with the first bursts of AAA or the sound of

# Air Defense Countermeasures

exploding bombs.

During the past three years the Hanoi regime has developed North Vietnam's air defenses from a relatively rudimentary state into a complex, sophisticated system. The system now includes an integrated network of radar sites, interconnected by filter centers and communications facilities, and a widespread deployment of SAM missiles, MIG aircraft, and conventional antiaircraft guns. The number of AAA guns of all calibers increased from about 1,200 in February 1965 to about 6,000 two years later.

Since the introduction of the Soviet-supplied surface-to-air missile system into North Vietnam in mid-1965, at least 162 SAM sites have been constructed. SA-2 missile battalions currently are deployed in from 28 to 32 of these sites, with the remainder of the sites adding to the over-all flexibility of the system. North Vietnam's radar order of battle has increased in size from 24 pieces of equipment in 1962 to 434 pieces in February 1967. Electronic equipment of higher quality and sophistication has added further to the coverage provided. North Vietnam's current inventory of about 100 MIG aircraft\* apparently is not substantially higher than a year ago. Stepped-up employment of MIGs in their air defensive role, however, has been noted in recent periods in the Hanoi/Haiphong area. Although enemy aircraft have not yet inflicted major losses on US air forces, their presence has posed a threat which has sometimes caused US pilots to jettison ordnance short of the assigned targets.

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The growing threat presented by North Vietnam's air defense system is illustrated by defensive activities encountered by US forces while carrying out attacks against the Hanoi Transformer Station during a nine-day period in April and May of this year. Enemy air defense operations over this target, which is about seven miles north of Hanoi, included multiple surface-to-air missile firings, harassing flights of MIGs, and heavy antiaircraft fire. US forces, made up of a minimum of 56 strike aircraft, suffered damage amounting to five aircraft lost; one mission was forced to abort short of the target; and several aircraft had to jettison their ordnance in order to react to MIG attacks.

As shown in Table 4, the primary cause of US losses over North Vietnam is conventional ground fire. However, the threat imposed by SAM missiles presumably accounts indirectly for an unknown percentage of these losses because it forces US aircraft to fly at lower altitudes lying within the range of the AAA guns.

Table 4

Combat Losses of US Aircraft over North Vietnam,
by Cause
1965-April 1967

Cause	Number	Percent
Ground fire/other SAM MIG	453 <u>a/</u> 54 <u>b/</u> 20 <u>b</u> /	86 10 4
Total	527	100

a. An additional nine GVN aircraft were lost to around fire in 1965.

b. Including possible/probable downings from these causes.

In view of the buildup in the enemy's air defense system, US losses over North Vietnam have remained surprisingly low, and the over-all ratio actually has declined as the hostilities have progressed. The lower trend in US losses has been especially apparent since the spring of 1966. A comparison of US loss ratios by year for operations over North Vietnam is given below.

Year	Total Attack Sorties	Combat Losses a/	Losses as a Percent of Total Attack Sorties
1965	25,940	173	0.67
1966	82,170	284	0.35
1967 <u>b</u> /	20,550	52	0.25

a. Excluding operational losses due to equipment failure.

# b. January-March.

There are some indications, however, that the favorable decline in the loss ratio may be reversed if there is a major escalation in the number of US attacks against the northern areas of North Vietnam. rate for the recent attacks on targets in the Hanoi-Haiphong area is 3.7 percent compared with the 1967 average for all areas of about 0.25 percent. percent of US combat losses during 1967 to date were over Route Packages V and VI, although only about 9 percent of total attack sorties were flown over these These route packages are defended by almost 67 percent of the enemy's inventory of 37 to 57-mm. guns and more than 90 percent of the inventory of 85 to 100-mm. guns. Furthermore, an increasing threat from SAM defenses is apparent from the following tabulation, which gives SAM missiles fired by North Vietnam per 100 attack sorties flown over Route Packages V and VI.

Year and Month	Attack Sorties a/	Missiles Fired	Missiles Fired Per 100 Sorties
1966			
March-April May-June July-August September-October November-December	900 770 2,900 2,350 2,030	64 65 389 144 384	7.1 8.4 13.4 6.1 18.9
1967			
January-February	1,130	394	34.9

a. Rounded to the nearest 10.

As shown above, in the first two months of this year, almost 35 SAM missiles were launched by the North Vietnamese for every 100 attack sorties flown over the northern route packages by US air forces. The effectiveness of the SAM response to US attacks should be increased by the recent indications that Soviet personnel have assumed more control over SAM operations.

#### C. Decentralization of Industry

Although North Vietnam asserted the importance of local industry and called for its continued growth long before the country was subjected to US bombing, the country's main industrial objective before 1965 was to establish a heavy industrial base consisting of large capital-intensive plants. The advent of US air strikes in 1965 forced an admitted reversal of these priorities and resulted in a renewed and sharply increased emphasis on local industry, which was to be expanded through the dispersal of industry from potential urban target areas as well as through the construction of small facilities supplied with new equipment.

Dispersal of existing facilities reportedly began early in 1965, just before the start of the Rolling Thunder program. It is estimated that most dispersal has involved those facilities -- small factories and cooperatives -- with easily moved machines and easily divisible production processes. Dispersal has

been applied both to facilities in urban areas and to those near probable targets in the rural provinces.

The extent of dispersal of even small facilities in 1965 and 1966, however, is unclear. conflicting reports have been received on dispersal of industry in Hanoi and Haiphong, some suggesting almost total economic dispersal of industry, others emphasizing the large numbers of facilities still operating. The mayor of Hanoi, in an interview with a Czechcslovak reporter in January 1967, said that, although several enterprises were evacuated from the city, there were still more than 200 industrial enterprises of various sizes remaining. The North Vietnamese press also has periodically criticized the slow pace of dispersal. On the other hand, there is little doubt that many small facilities have been dispersed, and the movement probably has been stepped up since the heavy raids in the vicinity of Hanoi and Haiphong in the spring of 1967. Cne Czechoslovak report from Haiphong, dated 29 April, said that production in several industrial plants has been stopped and will be transferred elsewhere.

Only two large industrial facilities -- both textile plants which accounted for about 75 percent of the national weaving capacity -- are known to have been extensively dispersed. Evacuation of the Nam Dinh Textile Mill probably began even before it was unintentionally damaged by an air strike in July 1965, and all spinning and weaving equipment probably was dispersed by the spring of 1966. Photography confirms the absence of equipment in a sizable area of the plant. North Vietnamese films show that the 8 March Textile Mill in Hanoi also had a large part of its capacity removed by early The Hanoi Engineering Plant is the only large plant reported to have dispersed some equipment, but this plant also has had new equipment installed at the original site.

North Vietnam's heavy industrial plants generally are not easily dispersed because of technological considerations and/or because of the size of equipment involved. Photography has even

Little is known about the locations to which the evacuated equipment is taken. Most North Vietnamese commentary refers to movement to the "countryside." The return to Hanoi at night of many evacuees from the city suggests that the facilities dispersed from the city may not have been moved very far. Some facilities, however, have been moved to the mountainous northwest, reportedly to take advantage of the power potential presented by the presence of numerous small streams. This movement also fits in with North Vietnam's longstanding interest in settling and cultivating the land in the Several locations have been reported northwest. as sites for dispersed equipment from the Nam Dinh Textile Mill, ranging from near Nam Dinh to 50 to 100 miles distant. Caves, jungle, and other natural protection or camouflage are utilized whenever possible in order to provide maximum protection against air attack.

On balance the decentralization program probably has been successful from North Vietnam's standpoint. Efficiency of production and some production per se certainly has been lost in the evacuation process as well as in the installation of equipment in less than ideal circumstances. Probably more important, though, has been the accelerated establishment of new machinery and repair shops, new food-processing facilities, new irrigation facilities, and new handicrafts which have added to

the economy of the rural areas without detracting from the economy elsewhere.

# D. Countermeasures on Lines of Communication (LOC's)

# 1. Construction and Repair Activity

The main effect of the Rolling Thunder program against lines of communication in North Vietnam has been a strenuous and successful effort by the North Vietnamese to keep all important transportation routes open to traffic. Besides diversifying the means of transport to include greater use of inland waterways and porter trails, the North Vietnamese have constructed multiple bypasses at road and railroad bridges on all important stream crossings, built alternate roads, and upgraded the rural road system to provide alternatives to heavily bombed The program of countermeasures has had equal priority on LOC's in North Vietnam and the Laos Panhandle and has been accomplished at relatively low cost because of a willingness and ability to use primitive methods and materials. The net effect in terms of logistic supply capability has been to make North Vietnamese transport more flexible than before the bombing by offering more choices of possible crossings and routes by which to supply the Communist war effort in South Vietnam. Added routes, moreover, further reduce a rather low average daily tonnage requirement per LOC.

The success of the North Vietnamese in outpacing the damage inflicted on LOC's by air strikes can be measured by the change in the number of bypasses built over stream crossings.\* A comparison of the period from the start of the bombing through September 1966 with the period from October 1966 through April 1967 shows that the average number of separate bypasses for damaged bridges increased from 0.98 to 1.15 per highway bridge and from 0.51 to 0.86 per

<sup>\*</sup>Bypasses include temporary bridges, fords/culverts, ferries, and pontoon and cable bridges.

railroad and combination railroad/highway bridge. In addition, the Communists are in a less vulnerable position because they have had time to put in alternative crossings even at points not yet struck. In addition to the construction of bypasses, the North Vietnamese often repair the original bridge if the damage is not too extensive.

Greater speed in repairs during 1966-67 can be directly attributed to an extensive development of bypasses and to a variety of deception techniques. To augment traditional bypasses such as fords, ferries, and timber bridges, more use was observed in 1966 of prefabricated movable spans, steel cable bridges, and camouflage. The use of a variety of multiple stream crossings suggests that the only effective way for air strikes to render a crossing unserviceable is to destroy the original bridge and all bypasses simultaneously -- a very difficult and costly tactic.

A slightly different but equally effective pattern of countermeasures emerges in the Laos Panhandle where an interdicted bridge or ford is usually bypassed by a construction of a short road around the entire chokepoint. Crossings that have been repeatedly bombed take on a cobweb pattern of bypass roads, of which one is serviceable most of the time.

New road construction and the upgrading of rural roads and trails also provides the North Vietnamese with additional supply routes to counteract the effects of the bombings and reduce the tonnage per road. In North Vietnam during 1966, a system of alternative roads was built to bypass the main coastal route 1A between Thanh Hoa and Quang Khe, while a new border crossing road into Laos was built as a supplement to route 15 through Mu Gia Pass. The pattern of road construction in the Laos Panhandle during the 1967 dry season has emphasized many short bypasses around heavily interdicted points on the existing road system that was so greatly expanded during 1966. The extension of route 922 east into the A Shau Valley of South Vietnam has been the most strategically important new road built thus far in 1967 and the first time

a part of the Ho Chi Minh Trail has been made into a motorable road across the border into South Vietnam.

# 2. The Manpower Involved in Countermeasures

The most important resources employed by the North Vietnamese in their countermeasures on lines of communication have been mass labor and local materials. Although the air attacks have forced the diversion of many North Vietnamese workers to repair LOC's, their ability to simultaneously continue production in the limited industrial sector and develop alternate LOC's indicates that the diversion has not caused serious dislocations in the economy. It is estimated that up to 125,000 workers and Chinese engineering troops, the latter north of Hanoi, are currently engaged in the full-time repair of LOC's in North Vietnam and in the Laos Panhandle (72,000 North Vietnamese, up to 34,000 Chinese engineering troops north of Hanoi, and 19,000 NVA/PL in the Laos Panhandle). The use of part-time workers primarily from the agricultural sector has added at least 100,000 to 200,000 additional day laborers for road, rail, and bridge repair work as needed.

# 3. The Effectiveness of Bombing Bridges

The bombing of bridges in North Vietnam has been unsuccessful in reducing the flow of men and material toward South Vietnam. Moreover, bridge targets have been very costly in terms of planes lost and have been effectively and quickly bypassed when they were destroyed.

A sample of 48 JCS-numbered bridges has been analyzed in detail to determine the effectiveness of bombing bridges in North Vietnam as a tactic to interdict traffic. Since the start of the Rolling Thunder program in February 1965, the US and the South Vietnamese have bombed 48 out of a total of 61 JCS bridges in North Vietnam. During the numerous strikes and restrikes against these bridges, at least 35 planes were lost.

The North Vietnamese have been able to offset the effects of bomb damage to bridges by

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constructing multiple bypasses for every chokepoint bridge in the country. They have been able to build 96 separate bypasses for 45 JCS bridges within the immediate vicinity of the 45 JCS-targeted bridges or an average of slightly more than two bypasses per bridge. A single bridge is a very difficult target to destroy by aerial bombardment, and construction of multiple bypasses at a crossing site further reduces the probability of effectively interdicting a LOC. The following tabulation shows a breakdown of the North Vietnamese countermeasures used to bypass 45 JCS bridges:

Type of Bypass	Number
Alternative bridges	24
Pontoon bridges	15
Cable bridges	9
Ferries	3′0
Fords	18
Total	<u>96</u>

The construction of multiple bypasses, in addition to ensuring a flow of traffic for the North Vietnamese, greatly increases the cost of the bombing program to the US. In general it takes as many sorties and as much ordnance to interdict bypasses as to interdict the original bridge.\* The

<sup>\*</sup>If it is assumed, for example, that 10 tons of supplies each day are moving over a LOC containing one bridge, past performance suggests that one hit on the bridge will be scored and traffic interdicted if 47 bombs are dropped. The average ordnance load carried by aircraft over North Vietnam is just under two tons. If the load consists of 500-pound bombs, it takes approximately six sorties to interdict a bridge. To interrupt the same 10 tons of traffic which can be handled by three possible crossings -- the original bridge or each of two separate bypasses -- 141 bombs in the 500-pound class must be expended and 18 sorties flown.

cost to the US of bombing, therefore, increases at a much more rapid rate than the cost to the North Vietnamese because the majority of the bypasses are low-cost expedients which can be repaired rapidly.

# E. Contingency Planning

Along with reacting to existing bomb damage, the North Vietnamese have, since the inception of the bombing, developed contingency plans -- countermeasures taken before bombing occurs -- to cope with escalation and shifts in emphasis of the Rolling Thunder program. These contingency plans are difficult to separate from other reactions to existing bomb damage, and thus often not easily recognizable. In addition, contingency plans and countermeasures to existing bomb damage must compete for the same scarce resources.

The nearly complete civil defense evacuation system in Hanoi and Haiphong and the elaborate system of bridge bypasses are examples of ambitious contingency planning. A civil defense shelter program is nearly complete in Hanoi, despite the capital's relative immunity from air attack. In addition, a full half of the populations of Hanoi and Haiphong are believed to have been evacuated. A number of unstruck North Vietnamese bridges have highway and rail bypasses already in place in anticipation of future possible strikes. Before the Hanoi Highway and Rail Bridge over the Canal des Rapides was struck in late April, piers for a bypass span had been in place for a number of months, and bridge decking was stored on the river bank. A 7.3-mile rail bypass and rail ferry skirts the unstruck Hanoi "Doumer" Bridge

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Despite an ability to transport an adequate level of supplies to the South with its existing although constantly attacked transportation network, North Vietnam has continued to expand the capacity of the network. For example, the Dong Dang Rail Line has been dual gauged and extended from Kep to Thai Nguyen. An alternative road network to Route 1 A is nearing completion south from Thanh Hoa. Presumably Hanoi is preparing for the contingency that the US will greatly escalate the LOC campaign or mine Haiphong harbor, necessitating the use of this extra capacity.

In other areas, Hanoi's contingency plans have been less ambitious because of the strain placed on resource availability by countermeasures to existing bomb damage. Although small portable diesel electric power generators were received from the USSR in small numbers during 1964 (22 in 1964), purchases did not pick up to their present high rate until the US had begun attacking thermal powerplants in the southern route packages in mid-1965. Although partial dispersal of several textile mills and some handicraft industry took place in 1965, other major, unstruck plants appear to be in full operation despite their vulnerability.

Some dike and road interdiction contingency plans appear to have been put into operation. mesh for repairing breaches has been reported in storage along dikes. Piles of stone and earth have been observed along roadsides; local village "volunteer" crews are ready to fill crater holes.

# Imports and Foreign Aid as Countermeasures

#### 1. Economic Aid

The sharp and continuing rise in economic aid to North Vietnam in the form of imports from the other Communist countries has been an important countermeasure to the bombing effort in North Vietnam. This aid has risen from an annual average of \$50 million to \$75 million for 1955-64 to an estimated \$150 million in 1965 and \$275 million in 1966, and it seems to be increasing again in 1967. Most of the aid extended through 1964 was for North Vietnam's economic development program. The more recent aid agreements make it clear that the Communist countries have implicitly guaranteed to finance the economic losses incurred by North Vietnam in its war effort.

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the Pact countries had pledged \$1 billion to support Hanoi's war effort seems an indication of the effort that the Communist countries seem willing to make.

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The value of this aid can be seen prin-

cipally in the rise in imports in 1965 and 1966,

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particularly the rise in imports of those goods supporting the war effort.

The Communist countries have provided substantial quantities of equipment for transportation, construction, power, communications, and maintenance programs. Furthermore, machinery and equipment apparently have been made available for both new and continuing aid projects which are not military associated, although this category of aid goods seemed to decline in 1966, and seems likely to decline even further in 1967.

There have been sharp increases in imports of machinery and equipment -- machine building shops, repair shops, small manufacturing enterprises, vehicles (road, rail, and water), heavy transport and roadbuilding equipment, machine tools, small diesel generators, and volumes of spare parts -- all related to the repair and replacement of parts in the transportation and power sectors of the economy and to repair and reconstruction programs. The power sector is particularly dependent on diesel generators because the regular electric power industry has been so heavily damaged by the bombing and because of the decentralization of industry. communications imports are another valuable but small-volume category, with most military communications equipment supplied by Communist China, probably by rail.

Petroleum products are an extremely large volume import -- imports by sea increased to 200,000 tons in 1966 compared with 170,000 tons in 1965. Early 1967 reports show another large increase. Petroleum imports are essential to the transportation, construction, and power sectors of the economy, particularly to the power sector since it has become so dependent on diesel generators.

Almost all iron and steel products must be imported because North Vietnam makes no steel, although it does produce pig iron at the Thai Nguyen iron and steel complex. Products related to the war effort, such as barges, POL storage tanks, pontoons, building members, possibly bridge trusses, and other structured shapes, are fabricated at Thai Nguyen and possibly at other locations. Most of these metal products come from the USSR and Japan by ship, although Communist China probably ships some steel products by rail. Imports of these metals by sea during 1966 were double the volume in 1965.

Bulk foodstuffs imported by sea have increased sharply in late 1966 and early 1967. This increase parallels the reports of losses of rice production in North Vietnam in 1966, and it may also reflect internal distribution problems. Food imports could become important if the seeming food shortage worsens. Another factor in the food supply has been the large and increasing imports of fertilizers. Maintenance of the food supply may be more difficult if the fertilizers are not received and distributed properly.

The relative backwardness of North Vietnam's economy, however, makes it less vulnerable than its dependence on imports might suggest. The economy of North Vietnam is still basically one of subsistence agriculture, with an essential self-sufficiency in food, although continuation of the shortages reported in late 1966 could bring about a critical situation if imports are cut off. Denial of imports to North Vietnam otherwise would have minimal effect on the nonindustrial economic organization generally. Even the loss of transport equipment could be compensated for in the domestic economy by the extensive use of manpower for the transportation of necessary goods.

# Military Aid

In addition to increasing their deliveries of economic goods, the USSR and Communist China responded to the Rolling Thunder program by increasing sharply the levels of military assistance, as shown in the following tabulation:

Million US \$	3 a/
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	<u>1953-64</u>	1965	1966	Jan-March 1967	<u>Total</u>
USSR	70	200	360	90	720
China	70	45	85	27	227
Totals	<u>140</u>	245	445	117	947

a. These values are based on Soviet foreign trade prices (prices charged for similar equipment sold to less developed countries), which are believed to most closely approximate the true value of this equipment.

Deliveries of military equipment, which previously had been on a very small scale, reached an estimated \$245 million in 1965 and \$445 million in 1966. Deliveries in the first quarter of 1967 have been at a slightly higher rate than that observed during 1966, and may increase even more during the remainder of 1967.

Chinese military aid programs follow well-established lines which reflect the capabilities of the donors. The USSR has provided heavier and more advanced equipment such as antiaircraft guns, radar, tanks, artillery, SAM systems, and most of the advanced fighter aircraft. The Chinese have been the major suppliers of trucks, small arms ammunition, and equipment for ground forces. A breakdown of the major items of Soviet and Chinese deliveries of military equipment is shown in Tables 5 and 6.

In addition to deliveries of military equipment, the USSR and Communist China have provided military advisers and technicians to North Vietnam. The Chinese contribution in this area is far greater than that of the USSR. At the end of 1966 an estimated 25,000 to 45,000 Chinese support troops were in North Vietnam working on the construction, repair, and defense of transportation

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facilities. In contrast, the number of Soviet military technicians was between 2,500 and 3,000 during 1965 and currently is estimated at from 1,000 to 1,500.

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Table 5

Soviet Military Aid to North Vietnam a/
1965-March 1967

	1965		1966		January-March 1967	
	Quantity (Units)	Value (Million US \$)	Quantity (Units)	Value (Million US \$)	Quantity (Units)	Value (Million US \$)
Total value		200.0		360.0		90.0
Surface-to-air missile systems		72.0		77.0		40.0
Firing battalions Replacement missiles	15 200	6.0	10 1,100	44.0 33.0	5 600	22.0 18.0
Aircraft Il-28 light jet bomber	<u>54</u> 8	$\frac{16.2}{2.8}$	85	44.5	<u>o</u>	<u>0</u>
MIG-21 jet fighter	11 32	8.8 4.2	26 42	20.8 5.5		
MIG-15/17 jet fighter Mi-6 helicopter	32	4.2	6	12.0		
Mi-4 helicopter U-MIG-15 jet trainer	3	0.4	7	1.4		
An-24 medium transport I1-18 heavy transport			3 1	2.8 2.0		
Armor	20 5	$\frac{0.5}{0.3}$	<u>20</u> 5	$\frac{0.5}{0.3}$	<u>o</u>	<u>o</u>
PT-76 amphibious tank BTR-40 APC	10	0.1	10	0.1		
SU-76 assault gun	5	0.1	5	0.1		
Artillery 100-mm. AAA	$\frac{1,250}{100}$	$\frac{37.9}{5.2}$	$\frac{3,444}{75}$	$\frac{75.9}{3.9}$	<u>150</u>	3.5
85-mm. AAA 57-mm. AAA	315 485	12.4 17.0	620 800	25.0 27.9	75	3.0
37-mm. AAA	250	2.2	1,949	17.5	75	0.5
Field artillery (76-152-mm.)	100	1.1	105	1.6		
Radar	23	4.4	160	30.1	<u>60</u>	11.0
Trucks and vehicles	1,000	<u>5.0</u>	1,000	5.0	300	1.5
small arms and infantry weapons		2.0		4.0		1.0
Ammunition	17,000 ton	<del></del>	33,000 ton		9,000 ton	<del></del>

a. Estimates do not include the value of military infrastructure and facilities. Because of rounding, subtotals may not add.

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Table 6

Chinese Communist Military Aid to North Vietnam a/
1965-March 1967

	1965		1966		January-March 1967	
	Quantity (Units)	Value (Million US \$)	Quantity (Units)	Value (Million US \$)	Quantity (Units)	Value (Million US \$)
Total value		45.0		85.0		27.0
Aircraft MIG-15/17 jet fighter	8	$\frac{1.0}{1.0}$	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Naval craft Shanghai-class PTF Light cargo ship	<u>0</u>	<u>o</u>	$\frac{4}{4}$	$\frac{4.0}{4.0}$	14 14	7.0 7.0
Artillery 57-mm. AAA 37-mm. AAA	$\frac{300}{100}$ 200	5.3 3.5 1.8	100 100	3.5 3.5	<u>0</u>	<u>o</u>
Radar	33	<u>3.7</u>	112	9.0	10	1.0
Trucks and vehicles	1,000	<u>5.0</u>	100	0.5	200	1.0
Small arms and infantry weapons		10.0		30.0		8.0
Ammunition	8,000 tons	20.0	15,000 tons	38.0	4,000 tons	10.0

a. Estimates do not include the value of military infrastructure and facilities. Because of rounding, subtotals may not add.

# III. Prespects of an Effective Bombing Program

# A. The Success to Date

The objectives of the bombing program are stated currently to be two-fold:

- 1. To limit or raise the cost of sending men and supplies to South Vietnam.
- 2. To make North Vietnam pay a price for its aggression against the South.

To the extent that any degradation of enemy capabilities or any penalties imposed on his aggressive conduct in South Vietnam are indicative of successful achievement of US objectives, the US bombing program must be judged to be meeting with some success. But the degree of success is limited. The bombing program has undoubtedly raised the cost and increased the burdens of maintaining the aggression in South Vietnam. These exactions appear to be within acceptable limits to the Hanoi regime. a continuing flow of economic and military aid from Communist China and the USSR, North Vietnam remains capable of maintaining and supplying its forces in South Vietnam at both present and higher levels of combat. The price of its aggression, with the exception of manpower losses, is being assumed by its Communist allies.

Despite the increased weight and broadening of the air attack, North Vietnam has increased its support of the insurgency in South Vietnam. There was a three-fold increase in the level of personnel infiltration in 1966 and additional thousands of troops have been positioned in and around the DMZ. The flow of material supplies to the VC/NVA forces in South Vietnam during the current dry season is at least equal to and may well exceed the volume made available last year.

The North Vietnamese economy has suffered increasing damage, but this has had no decisive effect on the attitude of the regime toward the war, nor has it caused a deterioration of popular morale

to the point where the regime has lost the support of its people. The performance of the domestic transportation system exceeds that achieved before the Rolling Thunder program; imports both by sea and by rail have moved to increasingly high levels. Deficiencies in domestic food supply are being met by the USSR and Communist China and food shortages have not attained serious proportions. The vital petroleum storage system, as currently dispersed, has survived the destruction of more than 85 percent of its major bulk storage capacities, and petroleum stocks have been maintained at essentially early 1966 levels. The neutralization of 70 percent of the country's electric power generating capacity has created severe shortages of power and disrupted much of North Vietnam's modern industrial economy. It is unlikely, however, that the loss of electric power can have a significant impact on military operations.

#### B. Outlook

The outlook for marked success in achieving the current objectives of US bombing programs is not bright. The US bombing program had by the end of April attacked 173 targets or more than 70 percent of the targets on the JCS list. About 20 of these targets received only minor damage, so that their pre-strike capacity is relatively intact. These targets and the 69 unstruck targets are grouped, by category, as follows:

Target System	Number
Bridges	28
Airfields	7
Military barracks headquarters and storage depots	17
Powerplants	9
Locks	7
Industry	6
Mineable areas	4
Miscellaneous	11
Total	89

In addition, there are seven non-targeted industrial facilities that are significant to the North Vietnamese economy and its war-supporting activities.

The returns that can be realistically expected from the neutralization of the remaining economic, military, and land transport JCS targets is small. The two most promising target systems -locks and mineable areas -- have been unacceptable to date on humane grounds or because of the political problems their neutralization would create. enemy's success in countering attacks on bridges and in sustaining traffic movement is too well catalogued to warrant further discussion. Attacks on military installations would have only limited effects. Many of these facilities are inactive, and contingency plans to counter their loss are undoubtedly well developed. Even if North Vietnam were denied complete access to its airfields, this alone would be unlikely to significantly alter the regime's attitude toward the war since it would have only a marginal effect, through increasing costs, on the flow of men and supplies to the South.

The neutralization of North Vietnam's remaining industry would extract a high price in terms of the elimination of the results of years of economic development, loss of foreign exchange earnings, and the displacement of the urban labor force, and would add to the burden of aid from other Communist countries. There is no apparent reason why such losses would force Hanoi to the negotiating table. The loss of its modern industrial sector is apparently a tolerable burden in a country that has an overwhelmingly agrarian economy. The contribution of North Vietnam's modern economy to the war effort is small and its loss can be countered as long as essential economic and military supplies can be obtained from the USSR and China.

The greatest possible impact on Hanoi would result from a US strike program which would include mining the major ports and inland waterways, to which the remaining JCS transport targets, other than the locks, would make a useful addition. It has previously been estimated that such a program would be a matter of serious concern to the Hanoi leadership. Some import programs would have to be forgone and problems of supply and distribution would be acute. However, even this program's successful execution would be unlikely to dampen down the continued movement of men and supplies from North Vietnam to the South.

## C. Costs to the US

The US would probably pay increasing costs -both political and military -- in choosing any of the available options for escalation of the air war. political costs in terms of both domestic US and international reactions would vary with the options chosen. US aircraft losses on the recent strikes in the Hanoi-Haiphong area have been at a rate of more than ten times those experienced during the 1966 campaign and in attacks on more isolated targets during 1967. The preponderance of the targets yet unstruck or warranting restrike are in the more heavily defended areas of North Vietnam. Almost 90 percent --86 targets -- are in Route Packages 4, 5, and 6. Of these, eight are in Route Package 5, 69 are in Route Package 6, which includes Hanoi and Haiphong, and nine targets are in the buffer zone along the Chinese-North Vietnamese border.

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North Vietnam: An Economic Appraisal

# NORTH VIETNAM: AN ECONOMIC APPRAISAL

# Summary and Conclusions

The war and the bombings have significantly eroded the North Vietnamese economy, but for the following reason have not seriously affected North Vietnam's ability to continue the war:

- (1) The economy is at a comparatively primitive stage of development; agriculture and small plants and shops predominate, and the people have simple needs, most of which are satisfied locally.
- (2) Imports from Communist countries have enabled North Vietnam to make up shortfalls in production and to take care of new needs, and have provided large amounts of military equipment. Identified seaborne imports in the first four months of 1967 increased sharply, and food imports were greater than for all of 1966.
- (3) The North Vietnamese have been able to compensate for the bombing in various ways, and have in particular shown considerable ingenuity in keeping lines of communications open.\*

Most of the important industrial plants and electric powerplants in North Vietnam did not become targets until this year, and the economy has not fully felt the effect of the damage they have recently absorbed. Production from the entire modern sector is sure to fall considerably. Even if further bombing were to eliminate modern industry entirely, however, the economy could still function at levels adequate to supply

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the bulk of the population's simple needs and to service and repair lines of communication.

The overall level of economic activity probably did not change much in 1965 and 1966, although production declined in some sectors. The output of modern industry has been sharply reduced this year by the bombings, but small-scale industry has been little affected. North Vietnam's industry produces little military equipment; its major contribution to the war effort is in maintaining transport equipment, most of which is imported, and in helping keep open lines of communication. Food production declined in 1966, partly because of poor weather, and textile production also fell, but imports have taken up much or perhaps all of the slack. Some consumer goods are scarce, however, and the price of some of them has risen beyond the reach of the average consumer.

Efforts are underway to make the economy more responsive to current needs. Local industries are being developed to reduce the economy's vulnerability to bombing, mostly with Communist aid. In addition, industry is being dispersed somewhat, and non-essential civilians are being relocated from some urban areas.

North Vietnam's chronic trade deficit increased in 1966 as exports fell and imports grew, but the trade deficit has been made up by aid from other Communist countries. Economic aid deliveries from Communist countries rose to about \$275 million during 1966, from a level of about \$150 million in 1965.

# I. The Economy of North Vietnam in Early 1965

The economy of North Vietnam in early 1965 had been affected only slightly by the war in the South. Most of the population was living at near-subsistence levels from agricultural production, although the non-agricultural economy was developing. The GNP was roughly \$1.6 billion, or something less than \$100 per capita. The average annual rate of growth of GNP was about 6 percent during 1958-63. Vague claims cf continued economic growth were made during 1964 and 1965, but none has been made since.

Of a population of 18 million, about 9 million were in the labor force, three-fourths of these in agriculture. The labor force was predominantly unskilled and untrained, and included a large percentage of women. Seasonal unemployment and underemployment were prevalent in agriculture. In the 15-49 age group, there were about 4.0 million males, and an estimated 2 million were physically fit for military service. Approximately 110,000 physically fit males reached the age of 18 each year. Thus, there was a considerable pool of manpower of military age for the North Vietnamese armed forces. Moreover, because of widespread underemployment and the ready substitutability of women in many occupations, a large proportion of the physically fit males could be put into military service with little noticeable impact on the economy.

Agricultural output had grown but slowly since 1954, in large part because of managerial short-comings and peasant resistance to collectivization. Rice is the principal crop. There are two rice crops a year, one harvested in May-June and one in October-November. Rice production remained relatively constant from 1958 through 1965 at about 4.5 million tons per year. Important crops besides rice include corn, cassava, sweet potatoes, soy beans, hemp, coffee, tea, and sugar cane. In spite of the agricultural nature of the economy, small but important quantities of bulk foods, mainly corn, rice and wheat flour, have been imported to augment domestic supplies.

Industry consisted of some modern plants, nearly all located within 50 miles of the Hanoi-Haiphong area, and a large number of small plants and handicraft shops distributed throughout the remaining populated areas. The value of output of modern industry amounted to about 40 percent of total industrial output. North Vietnam's modern industry included the first phase of an integrated iron and steel complex, three large machine building and repair plants and many small repair shops, a cement plant, and basic chemical and fertilizer plants. Coal, clay, limestone, iron ore, apatite, and phosphate rock were produced. Separate grids provided electric power to the Hanoi-Haiphong area and to Vinh and Thanh Hoa, and the total prestrike capacity was 187,000 kilowatts. Most of the electric powerplants were thermal plants, but North Vietnam has a large potential for hydroelectric power.

The two largest industries were food processing and textiles. The important branches of the food-processing industry were rice milling, sugar refining, tea processing, and fruit canning. The textile industry produced mainly cotton goods from imported cotton; domestic output met only a small percentage of the country's cotton requirements.

War-related industrial production was small.
North Vietnamese industries were able to produce small quantities of crude small arms and ammunition, but no other types of military hardware. Aircraft repair facilities were insignificant, but the North Vietnamese were capable of constructing and maintaining small coastal and inland watercraft. Pharmaceuticals and some explosives were produced. Almost all railroad rolling stock and other vehicles had to be imported, although North Vietnamese shops were able to service the transport system and to provide some spare parts.

North Vietnam in early 1965 was heavily dependent on foreign economic and military assistance. Almost \$1 billion in economic grants and credits are known to have been extended during the decade from 1955 to the end of 1964. Of this total, Communist China contributed about 48 percent, the USSR 39

percent, and East European Communist countries 13 percent. About 40 percent of all economic assistance through 1964 was in the form of grants and the remainder in the form of credits with low interest rates and easy repayment terms.

The value of imports (\$195 million) greatly exceeded that of exports (\$102 million) in 1965. The trade deficit had been running at a level of \$40 million to 90 million since 1960 and had been financed by foreign aid from other Communist countries. The most important imports were petroleum products, machinery, transport equipment, chemicals, fertilizers, and munitions. About two-thirds of total imports arrived by sea; the remainder by rail, including all major military imports.

North Vietnam's trade with the Free World accounted for about 15 percent of its total trade before 1965. Japan was the largest trading partner, followed by France and Malaysia. Trade with Free World countries provided a favorable balance of about \$10 million a year. Exports to the Free World included coal, pig iron, apatite, and cement, while the principal imports were thread and yarn, cloth, chemicals, metal products, and machinery.

# II. The Economy in 1967

#### A. Economic Policies

Several changes in economic policy have been made since 1965 in response to the bombing. When the first five-year plan period ended in 1965, a two-year plan was announced. The emphasis appears to have shifted from developing larger scale modern industry to developing smaller scale local industry. The 1966-67 plan called for increased agricultural output and greater regional self-sufficiency. The change will have a negligible impact on the economy in the short run but will adversely affect long-range development.

The US bombing also stimulated the mobilization of manpower, the evacuation of urban populations, and the dispersal of industry. Although North Vietnam has no overall shortage of manpower, it does have shortages of managerial cadres and skilled workers. Programs to mobilize youth and women, including the training of women as managers, have been in effect since the start of the bombing in 1965. A "partial mobilization" plan aimed at older men was announced in July 1966, but there is no evidence that it has been put into operation.

The dispersal of industry has been limited and has focused primarily on moving light industry and handicraft cooperatives from urban to rural areas. Essentially, the program has two aims -- to reduce industry's vulnerability to bombing and to minimize transport requirements. A large number of handicraft cooperatives apparently have been moved, but few larger industrial installations. The two principal textile mills at Nam Dinh and Hanoi as well as the Hanoi Engineering Plant have been partly dispersed.

# B. Agriculture

Rice production in North Vietnam fell about 300,000 metric tons in 1966, or about 7 percent. The decline resulted from the indirect effects of the bombing and from unfavorable weather conditions. Problems in the distribution of fertilizer and the diversion of farm labor to military and war-related work also contributed.

The food situation has not, however, become critical. There have been large increases in imports of food through April of 1967; known seaborne imports of food totaled 108,500 tons, compared with 77,000 tons in all of 1966. The regime has for some time been calling for an increase in the acreage devoted to secondary crops such as sweet potatoes and manioc, which are more resistant to weather conditions and require less labor and processing. The production of these food crops may have increased in 1966.

There has been no indication of a cut in food rations. The minimum rice ration remains at about 13 kilograms per person per month. In some areas, however, a portion of the rice ration is actually made up of less palatable substitutes, and in 1967 these substitutes may have accounted for a larger part of the diet. While the official meat ration has probably not been cut, the supply of meat has apparently declined, especially in urban areas, and prices have risen. The production of fish has declined, and the price has risen, probably because the bombings interfered with fishing operations.

# C. Industry

Industrial output in 1966 appears to have increased in some sectors and declined in others; the data for estimating the overall change are lacking. In 1967 the bombing has had a direct effect on the output of some industries and has probably indirectly affected the output of most modern plants. Handicraft and local factory industries, however, which account for almost half of industrial output, were probably affected little if at all.

North Vietnam's industry still makes little direct contribution to the war effort. It provides tools, some spare parts, and repair equipment. Cement is produced for military as well as civilian construction, and uniforms are made by the textile industry. The chemical industry may produce small quantities of explosives. Coal, apatite, and pig iron are important exports. They have been earning about \$23 million annually in foreign exchange since 1964, which has been used to purchase goods in the Free World.

It is estimated that the output of electric power in 1966 declined some 9 percent, to about 550 million kilowatt hours. One-fourth of total output is normally used by non-industrial consumers, who absorbed part and perhaps all of the decline. far in 1967, there has been a substantial further reduction of output, with a serious impact on many consuming industries. Out of a national capacity of 187,000 kilowatts (kw), 131,000 kw were out of operation as of the end of April. About 104,000 kw of the capacity destroyed was in the main electric power network which serves most of the urban areas and the modern industrial sector. Only one electric powerplant in Hanoi remains intact; it accounted for about one-fourth of the capacity of the main network before the bombings. North Vietnam has imported an estimated 2,000 diesel generators of varying sizes over the past few years. The estimated capacity of these generators is about 15,000 to 20,000 kw, or some 10 to 15 percent of the capacity destroyed to date. The output of these generators is consumed primarily by agriculture and small local industries.

The output of North Vietnam's two largest textile plants -- the Nam Dinh Plant and the Eighth of March Plant in Hanoi -- is believed to have fallen in 1966. The Nam Dinh Plant has received bomb damage and both plants have been dispersed to some extent. Fragmentary data show that imports of cotton in 1966 were only one-third those in 1965 but that the import of textiles almost doubled, which suggests that the output of textiles fell in 1966.

Exports of apatite dropped from about 318,000 tons in 1965 to 10,000 tons in 1966, of coal from 1,150,000 tons to 906,000 tons, and of pig iron from 47,000 tons to 40,000 tons (see Table 1). Since much of the output of these goods is exported, the fall in exports strongly suggests a fall in production. The recent bombing of the Thai Nguyen Iron and Steel Complex may further reduce the output of pig iron, and a shortage of electric power may adversely affect the output of coal.

The machine building industry, although partially disrupted by dispersals during 1966, probably maintained or expanded output with the help of greater foreign aid. The major contribution of the machine building industry to the war effort is in the repair and maintenance of transportation and construction equipment. An increasing number of small metal workshops are engaged in this work. Some of the machinery required is produced by the Hanoi Engineering Plant, the Tran Hung Dao Engineering Plant, (also at Hanoi), and the Duyen Hai Machinery Enterprise in Haiphong. Although the loss of electric power in 1967 will restrict the output of some of the modern machinery plants, particularly the Hanoi Engineering Plant, it will have little effect on regional machine shops that utilize small generators.

There was a three-fold increase in known imports of steel sheet and plate, metal tubes, bars, and wire in 1966. This large increase probably reflected a growth in the output of fabricated metal products, but could have been the result of a decision to stockpile the items against the time when seaborne imports might be unobtainable.

The output of cement probably increased in 1966. Cement is used for constructing airfields, military fortifications, civil defense shelters, and the like, but the fact that seaborne exports of cement rose about 25 percent over 1965 indicates that it was in good supply. The bombing of the Haiphong Cement Plant, which provides about 95 percent of total production, and of the electric powerplant which serves it, will almost certainly reduce domestic supplies of cement during 1967.

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Table 1

North Vietnam: Identified Seaborne Foreign Trade 1964-66 and First Quarter 1967

		Thousand Metric Tons		25 <b>X</b> 1			
		1964	1965	1966	First Quarter 1967		
otal		2,203	2,410	2,061	613		
Import	s	<u>638</u>	<u>697</u>	926	<u>339</u>		
Pet	croleum	142	170	201	80		
Fer	ctilizers	140	162	227	73		
Gra	ain and bulk food	162	119	78	71		
Tin	nber	32	15	14	7		
Mis	scellaneous	162	231	406	108		
Export	cs	1,565	1,713	1,135	274		
Coa	al	950	1,150	906	209	25X1	
Apa	atite	338	318	10	None		
Cen	nent	140	78	99	22		
Piç	g iron	44	47	40	18		
Mis	scellaneous	93	120	80	25		

# D. Transportation

North Vietnam's transport system remains adequate for current military and economic needs. The railroads have suffered some damage from the US bombings, including the destruction of the rail bridge at Viet Tri, the Hanoi Railway/Highway Bridge over the Canal des Rapides, and other rail facilities at Hanoi and Thai Nguyen. At the same time, some of the bombed lines have been partially reconstructed, and one of the lines leading to the Chinese border is being converted to dual gauge to facilitate the movement of goods from China.

The bombing of the highway network has caused extensive cratering, but quick repairs and the availability of alternate routes have prevented any sustained effect on motor truck operations. The truck inventory is estimated to total about 11,000 to 12,000 made up of over 30 different models.

Maintenance is a serious problem, primarily because of the lack of skilled mechanics and spare parts. In some cases it has been easier to get new trucks than the parts needed to put vehicles back into service. Imports of trucks in 1965 and 1966 totaled about 7,000. About 1,200 trucks are known to have been imported in the first four months of 1967.

The waterway system does not appear to have been seriously affected by US bombing or by the mining of rivers in some parts of North Vietnam.

# E. Construction

Construction activity has increased considerably since 1965. The construction and repair of bridges, highways, and railroads has required at least 72,000 full-time and from 100,000 to 200,000 part-time Vietnamese workers. Improvements in the transportation network have mainly a military purpose but have also contributed to the civilian economy. Some war-related construction such as civil defense shelters and shelters for vessels along inland waterways has been observed. Construction is continuing on projects not related to the war. Dams are being built, and Communist aid projects for industry are continuing.

# F. Foreign Aid and Trade

As a result of declining food production, declining output in some industries, and the greatly increased demands produced by the war, North Vietnam has become increasingly dependent on assistance from Communist countries. Foreign aid deliveries exclusive of military goods are estimated to have increased to about \$275 million during 1966, compared with about \$150 million in 1965.

Before the bombing, aid projects included a number of large industrial complexes. New aid agreements were negotiated with most of the Communist countries in 1965 and 1966. Most of the new economic aid is made up of industrial materials, manufactured goods, and machinery for small light industrial plants, small electric powerplants, and machine shops. In addition, the regime appears to be continuing forward-looking aid projects, such as those for mineral exploration and exploitation. Some new economic aid projects contribute more or less directly to the war, particularly those pertaining to truck repair, machine shops, and pier construction, as well as the dredging of the Red River and the harbor at Haiphong. Most of the construction activity on Soviet aid projects in 1966 was focused on the Thac Ba electric powerplant, small irrigation pumping stations, state-farm projects, and mining. Economic aid from Eastern European countries during 1966 included foodprocessing and refrigeration plants, truck repair or machine shops, and small electric power projects. Little is known about Chinese Communist project aid.

The USSR and Communist China have since 1953 provided military equipment and supplies valued at about \$947 million,\* including deliveries in 1966 estimated at \$445 million. The USSR provided \$720 million of this total. Soviet military assistance has been mostly in the form of surface-to-air missiles, aircraft (including helicopters and MIG

<sup>\*</sup>These values are based on Soviet foreign trade prices (prices charged for similar equipment sold to less developed countries), which are believed to most closely approximate the true value of this equipment.

fighters), armor, trucks, artillery, radar, small arms, and ammunition. Communist China has provided a small number of MIG fighters, naval craft, artillery, radar, small arms, and ammunition. In addition, both countries have sent military technicians to maintain equipment and to assist in training.

Petroleum products, imported almost entirely from the USSR, are essential to the war effort. Estimated imports during 1966 exceeded 200,000 tons. Military and civil transport together consumed 150,000 tons in 1966, industry consumed about 20,000 tons, and the remainder went to agriculture and household use.

The North Vietnamese trade deficit grew in Identified seaborne imports rose more than 30 percent over 1965, while identified seaborne exports fell more than 30 percent. The same trend has continued during the first four months of 1967, with imports rising about 52 percent and exports falling by about 37 percent as compared with the corresponding period in 1966. In 1965, the DRV was running a large trade deficit with other Communist countries -- about \$100 million out of total imports of \$180 million -but had a small trade surplus with Free World coun-In 1966 the decline in seaborne exports of apatite, coal, and pig iron reduced the trade surplus with the Free World. Exports to Communist countries, almost half of which are textiles and processed foods, also declined, while imports rose sharply. All of the trade deficit has been made up by credits or grants from the Communist countries, and there have been no apparent limitations on imports because of the adverse trade balance.

# III. Prospects

The North Vietnamese economy has not yet fully felt the effects of the bombings already undertaken in 1967. Production from modern plants is sure to fall considerably. Nevertheless, even if further bombing were to eliminate modern industry entirely, the economy could still function at levels adequate to supply the bulk of the population's simple needs and to service and repair lines of communication.

The elimination of modern industry would leave unaffected the half of the country's industrial capacity which is in small factories and handicraft shops capable of supplying simple farm tools, some machinery and spare parts, and processed foods and textiles. The domestic output of cement, fertilizer, chemicals, pig iron, and machine tools would be virtually eliminated, with some effect on lowpriority construction and possibly on agriculture. High-priority needs could be met from imports, which would have to be vastly increased, but not beyond the ability of the Communist countries to Imports of bulk products would rise sharply, and imports of finished metal products, vehicles, and machinery would have to be increased. ent, North Vietnam's ports and railroads have ample capacity to handle any foreseeable need for imports.

XI

XI

Chinese Attitudes Toward the War in Vietnam

# CHINESE ATTITUDES TOWARD THE WAR IN VIETNAM

- China has a substantial stake in the conduct and outcome of the war in South Vietnam, and a vital interest in the preservation of a friendly Communist regime in Hanoi. From the beginning of the Viet Cong insurgency, in the late 1950's, China has provided political support and encouragement to Hanoi, and in later stages direct military aid. Vietnam has been the testing ground for one of China's principal ideological theses: that in the present era wars of national liberation can be successfully and safely pursued not only in Southeast Asia but throughout the underdeveloped world. By late 1964 and early 1965, Communist successes promised early vindication of this thesis which Mao had made a major issue in the Sino-Soviet dispute and the Chinese were urging Hanoi to move on to the final stage of mobile warfare.
- 2. US intervention with ground forces thus threatened a major blow to Chinese aspirations in Asia and the Communist world. A second factor affecting Chinese attitudes was the USSR's direct reengagement in the situation in 1965. As a result of these two developments, the Chinese position has changed somewhat.
- 3. Since the US intervention and the bombing of North Vietnam, the Chinese have gradually begun to attribute a new strategic significance to the war. In the Chinese portrayal, US intervention was not only a desperate effort to retrieve a local defeat, but might also be a preliminary for an aggressive war against China. The Chinese were thus forced to give increasing attention to the chances that out of the Vietnam war would come an attack on China. Consequently, China's fairly clear and explicit expressions of military commitment to Hanoi became progressively qualified. References to Chinese volunteers and comparisons with the Korean

War declined in 1966, and in the Chinese formulas both Hanoi and Peking would decide what Chinese actions were "deemed necessary." And at critical junctures, in late 1965 and mid-1966 (the bombing of Haiphong POL), the Chinese reminded Hanoi that a principal virtue of people's war was self-reliance. Only recently, Chou En-lai made a similar remark to an American journalist.

- 4. In such circumstances, it might have been prudent for China to advise Hanoi to seek a political solution before the US buildup could be accomplished. But, in fact, China's hostility to negotiations of any kind has become more and more rigid, even to the point that Peking has been openly at odds with Hanoi on the question of whether a cessation of the bombing could be followed by US-North Vietnamese talks.
- China's intransigence reflects several 5。 factors. The Chinese leaders, particularly Mao, probably still have faith that even in the new military circumstances the US can be defeated provided that Hanoi pursues a strategy of protracted conflict relying on the proper guerrilla warfare tactics. But even if Peking recognizes the diminishing chances of success for Communist aims, there are other compelling political reasons for Chinese insistence that the war continue. Peking probably realizes that the USSR would play a large role in any political solution in Vietnam, and that in peaceful conditions the USSR's economic and military assistance to Hanoi would pose a major threat to Chinese influence there. In its efforts to limit the influence of the USSR in Vietnam, China has already paid a high price in its relations with North Korea, the Japanese Communist and other sympathizers. To yield at this point would, in the Chinese view, not only be a defeat for Peking's general line of revolutionary strategy, but would represent a major gain for the USSR.
- 6. We believe the Chinese are prepared to exert considerable pressure, to increase types of military and economic aid, and, if requested, to station combat troops in North Vietnam in order to sustain Hanoi's will and ability to prolong the war in the

Even so we do not believe that Peking is fully committed to a Communist success in South Vietnam at any price. The Chinese have allowed themselves room in their public position, especially in recent months, to accept the failure of the military effort in the South. If faced with a situation where only their own intervention could save the situation in South Vietnam, we feel that their fear of a US attack on mainland China would be the commanding factor. Rather than accept this risk in these circumstances, we believe that Peking would be inclined to accept a termination of the fighting without negotiations, in hope that this might permit some level of resistance to continue. They would say that the setback was owing to deviations from Maoist doctrines and to Soviet perfidy.

- 7. Actions against North Vietnam, however, are an entirely different matter. We continue to estimate that Peking wishes to avoid a confrontation with the US, which could result in a nuclear attack. We are certain, however, that China would fight if the US launched a deliberate and sustained air attack on Chinese bases and supply lines in South China. There are two other situations which would probably bring some form of Chinese intervention: a major invasion of North Vietnam, and the disintegration of effective Communist authority in Hanoi.
- If the US extended ground operations to North Vietnam, the Chinese reaction would not necessarily be precipitate. It would depend on Peking's view of the extent and nature of the military threat to the Hanoi regime. If Peking judged that the threat to Hanoi was not a critical one, e.g., if it involved a US landing just north of the DMZ to outflank the NVA troops there, the initial Chinese military reaction would probably be limited to a rapid and conspicuous buildup of combat forces in South China and perhaps in the northern parts of North Vietnam as well. This action would be accompanied by strong verbal warning. But when and if they thought it was necessary in order to preserve the Hanoi regime, the Chinese would be prepared to engage US forces in North Vietnam.

- 9. A more ambiguous situation would be a threatened collapse of the Hanoi regime. It would be extremely difficult for either the North Vietnamese leaders or the Chinese to decide at what point a large deployment of Chinese forces in North Vietnam was necessary to maintain internal security. And this might be a gradual process, wherein Chinese forces were gradually introduced to free North Vietnamese forces for combat or public security. Even so, once having secured North Vietnam against an internal breakdown it is unlikely that Chinese forces would then move into South Vietnam.
- 10. Any estimates concerning Chinese actions must be qualified because of the uncertain situation in Peking. We cannot be sure what the impact of the internal struggle has had or will have on Chinese policies. It is conceivable that under some circumstances a foreign war might appear to certain leaders or factions as a desperate way out of a political impasse. It seems more likely, however, that the Chinese leadership would seek to avoid a major external crisis so long as internal affairs remain in disarray.

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XII

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Soviet Attitudes and Intentions Toward the Vietnam War

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# Soviet Attitudes and Intentions Toward the Vietnam War

Submitted by

DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Concurred in by the

UNITED STATES INTELLIGENCE BOARD

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Authenticated:

XECUTIVE SECRETARY, USIB

No

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# SNIE 11-11-67: SOVIET ATTITUDES AND INTENTIONS TOWARD THE VIETNAM WAR

#### **EXPLANATORY NOTE**

This SNIE was prepared at the request of the Department of State. It is intended as a general examination of Soviet attitudes and policies, especially in the present phase of the war in Vietnam. Where particular US actions are discussed, these are intended to be illustrative rather than to reflect actual policy decisions. Nevertheless, recipients will recognize that, since US policy in Vietnam is under continuous review, any paper taking note of any possible US actions should be handled as an extremely sensitive document.

#### **SECRET**

#### WARNING

This material contains information affecting the National Defense of the United States within the mearing of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited.

GROUP 1
Excluded from automatic
downgrading and
declassification

# SOVIET ATTITUDES AND INTENTIONS TOWARD THE VIETNAM WAR

## THE PROBLEM

To examine the USSR's policies toward the Vietnam war and its views of relevant US policies, and to estimate Soviet intentions in relation to that conflict.

#### CONCLUSIONS

- A. While the Soviet leaders see the war as advantageous to them in many ways, they also see disadvantages which make their options unpromising and hazardous. They probably believe that there is no prospect of movement toward a political solution for several months at best and appear to have concluded that for the time being they have no alternative but to help Hanoi to carry on the war, hoping that changes of attitude in either Hanoi or Washington, or both, will make a political solution possible later.
- B. The Soviet leaders fear that the US, in its impatience to get the war over, will escalate the conflict in a way which will increase the risks and costs for the USSR; in an effort to forestall this they are currently stressing their intention to move to more vigorous support of North Vietnam. We believe that during the coming months they will continue to supply equipment designed to strengthen air and coastal defenses in North Vietnam and to increase the firepower of both the regular North Vietnamese forces and the Communist forces fighting in the South.
- C. Whether or not there are formal arrangements covering the transit of Soviet supplies across China, we believe that Peking will not pose serious obstacles to such transit. But the relations between

Moscow and Peking are still fundamentally hostile, and their attitudes toward major issues of war and peace in Vietnam will continue to differ profoundly.

- D. The North Vietnamese at some point will probably press the Soviets for more sophisticated equipment than those types now arriving on the scene or in the pipeline. These might include cruise missiles and tactical rockets which could be used to support North Vietnamese operations in the DMZ area and against US warships. The USSR might believe it had to respond to such pressure, although it would be concerned that the use of such weapons would provoke a still more dangerous US response.
- E. If the intensity of the conflict were to be increased by the US, we believe that at some point the USSR would create an atmosphere of heightened tension with the US. The Soviets might take certain actions designed to bolster North Vietnam and to warn the US, such as the provision of limited numbers of volunteers or crews for defense equipment or possibly aircraft. They might also break off negotiations with the US on various subjects and suspend certain agreements now in effect. The mining or the blockade of the North Vietnamese coast would be most likely to provoke these responses, since this would constitute a direct challenge to the Soviets, and there would be little they could do on the scene. We do not think the Soviets are prepared to resort to strong and direct threats of general war as a means to protect North Vietnam or to preserve Soviet face.
- F. There would also be a good chance that at some juncture the Soviets would exert strong efforts toward a political solution, but they would probably not make Hanoi's acceptance of talks an explicit condition of continued material support.

#### DISCUSSION

#### I. SOVIET POLICY

- 1. The USSR's initial post-Khrushchev commitment to North Vietnam in late 1964 was almost certainly based on what proved to be a miscalculation: in all probability, the Soviet leaders did not then expect the US to step up its involvement in the conflict and they foresaw a relatively quick and easy Communist victory in the South. They wanted to be associated with that victory and—more concerned than Khrushchev with the problems and issues of the Communist world—were especially anxious to disprove Chinese charges that they were soft on imperialism. Initiation of the US air campaign in February 1965 caught them by surprise (and Kosygin in Hanoi), and their actions ever since have reflected their determination to maintain their commitment to Hanoi, but at the same time to control the risks of doing so, especially vis-a-vis the US.
- 2. There is within this broad context a wide area of uncertainty in the USSR's at:itude toward the war. The Soviets surely see the war as advantageous to them in many ways. It diverts US political and strategic attention away from areas of primary interest to the USSR, it imposes burdens on US resources, and it employs a substantial portion of US military forces-in-being. Moreover, it has deeply troubled many US allies and associates, especially in Europe, and it is ε divisive factor within the US itself. Finally, the war—and their important role in it—allows the Soviets to score further gains against the Chinese, both in Hanoi and in the Communist movement as a whole.
- 3. On the other hand, the conflict, as seen from Moscow, has its adverse aspects as well. The bombing of North Vietnam constitutes a continuing reproach to the Soviet Union, unable as it is to protect a small ally. The war is taking place far from the USSR and is being waged by a state which is unwilling to accept Soviet political guidance on the conduct of the war and is suspicious even of Soviet counsel. The buildup of US forces, and their engagement in combat, increases pressures on the Soviet leaders to expand their own forces, and this, in turn, may impose some additional strains on the economy and further complicate long-range economic planning. Perhaps most important, the US may undertake new courses of action which would force the Soviets to choose between confronting the US or backing down. Moscow is also almost certainly concerned that a Korean-type war could develop, leading to Chinese involvement and all the complications and dangers which the USSR desires to avoid.
- 4. The pro's and con's of this situation tend to make alternative Soviet options unpromising or hazardous. If they attempted to force Hanoi into negotiations—e.g., by threatening to stop supplies—they might fail, for Hanoi, even without Soviet aid, could fight on if it wished, though the nature and the level of the conflict would necessarily change. Such a failure would effectively end Soviet

influence in Hanoi, throw North Vietnam entirely back on China, and diminish Soviet prestige in the Communist world as well as in many "uncommitted" countries. The same calamities would follow if Moscow simply withdrew its support of Hanoi in order to escape the risks of deeper involvement. On the other hand, Moscow cannot feasibly undertake any serious military participation in the war, with its own combat forces, far from the sources of Soviet power, and at the end of lines of communication passing through the dubiously friendly territory of China or risking US counteraction at sea. Finally, if Moscow tried to influence the US by heavy pressures elsewhere in the world, it would risk provoking a partial US mobilization and a major international crisis.

- 5. As for the war itself, the Soviet leaders have probably concluded that a military victory by the Viet Cong and the North Vietnamese is not possible. They probably also believe that a clear-cut military victory by the US-Vietnamese forces is also impossible, unless the US steps up its war against North Vietnam to a very substantial degree or is prepared to engage in a long and costly struggle. In addition, the Soviet leaders have probably concluded, as a consequence of the events of the past two to three months, that there is no prospect of movement toward a political solution, at least by negotiation, for several months at best. Especially since Kosygin's visit to London in February, it must appear to the Soviets that both sides are determined not to accept the other's terms for the opening of negotiations. The Soviet leaders thus appear to have concluded that for a time they have no alternative but to help Hanoi to carry on the war, hoping that changes of attitude in either Hanoi or Washington, or both, will make a political solution possible later.
- 6. The Soviet leaders probably recognize that a substantial majority in the US supports the President in his wish to terminate the war by a political settlement and that US withdrawal without meaningful concessions from the Communists in Vietnam is an unrealistic hope. But they fear that, in its anxiety to get the war over and finished, the US will escalate the conflict in a way which would pose those serious dangers we have noted above.
- 7. In its efforts to prevent the US from escalating the conflict and to accept terms also acceptable to Hanoi for moving toward a political settlement, the Soviet leaders have engaged in a variety of stratagems. For a period they sought to warn the US of the harmful effect upon US-Soviet relations of the continued rise in the US commitment. Although they have continued to pursue this theme, they have since last summer also used another route; they permitted some tangible progress in US-Soviet relations, partly in order to persuade the US that such progress should not be jeopardized by new US actions in Vietnam. Finally, they took steps, which culminated in the Wilson-Kosygin talks, designed to convince the US leaders that there was a real prospect for political settlement. At the moment, because of their fear of imminent escalation, they are trying to convince the US of the hazards of escalation, this time by stressing that they intend to meet US moves with even more vigorous support of North Vietnam.

# II. SOVIET REACTIONS TO ESCALATION

- 8. We believe that both Hanoi and Moscow have expected a higher level of US military operations against North Vietnam, and it seems likely that the Soviets will respond to the current expanded bombing program by providing additional quantities and perhaps new types of weapons and equipment. Indeed, they may already have decided to do so.
- 9. We believe that the attitude of China will not pose serious obstacles to the continued transit of Soviet military supplies. We have no evidence that shipments have been significantly disrupted in the past, despite Soviet charges to the contrary and despite some degree of Chinese harassment. Early this year, at the height of the anti-Soviet demonstrations in Peking, the Soviets and the North Vietnamese apparently made some new arrangements under which the North Vietnamese would accept Soviet cargo at the Sino-Soviet border and assume responsibility for its onward movement.¹ Such an arrangement would lessen still further the chances of Chinese meddling with Soviet supplies, but it would seem to have little bearing on Sino-Soviet relations. These relations remain fundamentally hostile, and Chinese and Soviet attitudes toward major issues of war and peace in Vietnam will continue to differ profoundly.
- 10. In general, we believe that the types of weaponry the Soviets are likely to supply during the coming months will be intended to strengthen the air and coastal defenses of North Vietnam and to increase the firepower of both the regular North Vietnamese forces and the Communist forces fighting in the South. To bolster air defense, the Soviets will probably supply more jet fighters with air-to-air missiles, more surface-to-air missiles, and improved antiaircraft artillery (e.g., the ZU-23). We think it somewhat less likely that they would introduce an improved surface-to-air missile system with a somewhat better capability against low altitude attacks than the SA-2's now in North Vietnam. To meet US naval attacks on coastal shipping, there is a good chance that the Soviets will provide coastal defense missiles with conventional warheads (the Samlet and perhaps even the coastal defense version of the Shaddock). They will also probably supply more patrol boats, perhaps even the Komar or OSA guided missile patrol boats. For the ground forces, the Soviets will probably provide additional multiple rocket launchers, heavier artillery and mortars, better antiaircraft and antitank weapons, and a variety of antipersonnel devices. Some of the lighter, more mobile equipment would be sent forward by Hanoi to South Vietnam for use against US personnel and bases. Indeed, some has already appeared there.
- 11. The North Vietnamese would probably at some point press the Soviets for more sophisticated equipment, and this would pose a serious problem for the Soviets. They might believe they had to respond to such pressure,

<sup>&</sup>lt;sup>1</sup>A critical change in Chinese internal affairs, should it come, could of course significantly alter existing transit arrangements.

<sup>&</sup>lt;sup>2</sup> See ANNEX for the characteristics of selected weapons and weapons systems.

especially if hard pressed by North Vietnam and if no break appeared on the political horizon. They might provide nonnuclear weapons with additional range and firepower, hoping that the new military situation thus created would bring about a change in the US position. But the Soviets would also be concerned that the introduction of new types of weapons and especially their use in South Vietnam would provoke further US retaliation, which they would like to avoid, or even create a situation which would invite a US invasion of North Vietnam. We believe nevertheless that there is a good chance that they would provide some of these weapons systems.

- 12. If the Soviets did decide to embark on this course, some of the weapons involved might be the Salish short-range ground-support cruise missile or the Frog tactical rocket. Both are road mobile, require little in the way of permanent support facilities, and would not present a ready target for US bombing. Vietnamese could be trained to man them in a few months. They could be used from sites in North Vietnam against US forces in the DMZ area, but probably would not be transported South. The 150 n.m. Scud and the 300 n.m. Shaddock would also meet these general criteria for mobility and Vietnamese manning. The latter however, is a relatively new and complex system never deployed outside the USSR, and, in any case, both the Scud and Shaddock are too cumbersome and complicated for use in the South. If the Soviets were prepared to provide a weapon for attacks upon the South Vietnamese population or US bases, they might consider MRBMs with conventional warheads. Such weapons would create logistical problems and have marginal military value; if provided, their use would be primarily for political and psychological reasons. In any event, the Soviets would probably believe that the emplacement of such weapons would provoke an unacceptable level of US retaliation, and we consider their provision unlikely.
- 13. Beyond supplying equipment, the Soviets could take certain other actions to bolster the North Vietnamese and warn the US. They might believe, for example, that the provision of limited numbers of volunteers, or of crews for defense equipment or possibly aircraft, would serve as a warning without leading to a serious confrontation.
- 14. In any event, a steady increase in the level of combat and especially in the level of US air attacks would make the Soviet leaders increasingly nervous, and each new step would bring them closer to responses which would seriously impair US-Soviet relations. They might, for example, break off various negotiations and contacts with the US, and perhaps suspend certain agreements of recent months. We cannot say precisely what would be the Soviet response to particular actions. Much would depend upon what had gone before and how dangerous the situation of North Vietnam had become. But we are persuaded that at some point the USSR would create an atmosphere of heightened tension with the US.
- 15. The mining or the blockade of the North Vietnamese coast would be most likely to produce this result, since such action would constitute a direct challenge to the Soviets. At a minimum they would try to mobilize world opinion

against the US on this issue, and, depending on the attitude of North Vietnam, would consider taking the matter to the UN.

16. There is little that the Soviets could do on the scene if confronted with this kind of situation. They do not have the strength in the area to force a blockade or to confront the US with a major military challange, and we do not believe they would wish to run large risks simply in order to harass US forces or gain temporary respite. In the case of mining, for example, the Soviets could try to reopen shipping routes by bringing in minesweepers, other naval ships for protection, and air cover from North Vietnam. But this would be a hazardous venture, since the US could continue to sow mines by air and the Soviets could not prevent it unless they were prepared to begin a major naval and air war. We believe they would not risk their shipping in mined waters and would attempt the necessary supply by other means, e.g., through China or by lighterage. Most important, we do not think that the Soviets are prepared to resort to strong and direct threats of general war as a means to protect North Vietnam or to preserve Soviet face.

17. Regardless of the precise action taken by the US, the Soviets might at some point exert pressures on the US outside of Southeast Asia. Heightened tensions in Korea, new troubles in the Middle East are possibilities. But Berlin is the most plausible pressure point; US interests there are directly engaged and vulnerable, and the USSR could be surer of controlling the action. They might consider that only minor pressure on access routes would be enough to create the impression of an impending crisis. But we think it unlikely that the Soviets would want to take the risk of provoking by such pressures a major and generalized crisis which would not only undercut their policies in Western Europe but could also lead to a US-Soviet confrontation.

18. There would be a good chance that the Soviets would at some juncture exert strong efforts toward a political solution of the Vietnam problem. They would have to weigh the risks of some level of confrontation with the US against their reluctance to put real pressure on Hanoi for such a solution. They would almost certainly urge the course of negotiation more vigorously than they have heretofore. But they would probably not be willing to make Hanoi's acceptance of talks an explicit condition of continued material support. If negotiations did get underway, they would, of course, still bend every effort to obtain terms which gave Hanoi hope of eventually achieving its aims.

#### **ANNEX**

# CHARACTERISTICS OF CERTAIN SOVIET WEAPONS MENTIONED IN THE TEXT

# I. GROUND FORCES

Scud A or B (SS-1b or c)

Type: single-stage, tactical ballistic with storable

liquid propellant

Range: 150 n.m.

Warhead: 1,500 to 2,000 lbs. HE or CW (intended

primarily for nuclear option)

Accuracy: 0.5 n.m. ĆEP Refire time: 1½ to 2½ hours

Remarks: the Scud launcher is mounted on a modified

tank chassis; it has been deployed in the USSR and some East European countries

Salish (SSC-2a)

Type: surface-to-surface version of the Kennel air-

to-surface, turbo-jet cruise missile

Range: 60 n.m.

Warhead: 2,200 lbs. HE (nuclear possible)

Accuracy: 300-500 feet CEP

Refire time: unknown

Remarks: the Salish is transported on a wheeled

launcher; it is deployed in the USSR, Cuba and with Soviet forces in East

Germany

Shaddock (SSC-1a)

Type: tactical ground forces version of the SS-N-3

naval cruise missile

Range: 300 n.m.

Warhead: 1,000 to 2,000 lbs. HE (nuclear option)

Accuracy: 0.5 n.m. CEP at 150 n.m. range

Refire time: unknown

Remarks: the Shaddock is transported in a launch

tube on a wheeled vehicle; it has not been made available to non-Soviet forces

Frog

Type: solid propellant, surface-to-surface, unguided rocket available in several versions

Range: 18 to 37 n.m. with conventional warhead Warhead: 820 to 1,300 lbs. HE (nuclear option)

Accuracy: 500-800 meter CEP at 3/2 maximum range

Reaction time: 15-30 minutes

Remarks: the Frog is mounted on a light tank chassis

and can support ground forces in a variety of climatic and terrain conditions; variants have been deployed in the

USSR, East Europe and Cuba

# II. COASTAL DEFENSE

Samlet (SSC-2b)

Type: coastal defense version of the Kennel air-

to-surface, turbo-jet cruise missile

Range: 45 n.m.

Warhead: 2,200 lbs. HE or CW

Overall system reliability: 60-70 percent

Refire time: 15 minutes

Remarks: two, wheeled Samlet launchers are de-

ployed per launch site; the system has been deployed in the USSR, Cuba, Communist China, North Korea, and East

Europe

Shaddock (SSC-1b)

Type: coastal defense version of the SSC-1a

ground forces cruise missile

Range: 270 n.m.

Warhead: 1,000 to 2,000 lbs. HE or CW (nuclear

option)

Overall system reliability: 60 percent

Refire time: no refire

Remarks: the Shaddock has not been made available

to non-Soviet forces.

Styx (SS-N-2)

Type: liquid-fuel, antiship cruise missile launched

from Osa and Komar-class guided missile

patrol boats

Range: 20 n.m.

Warhead: 500-2,000 lbs. HE

Overall system reliability: 50 to 75 percent depending on homing mode

Refire time: no refire

Remarks: carried by Komar (2 launchers) and Osaclass (4 launchers) guided missile patrol boats; deployed in the USSR, Cuba, China, North Korea, Egypt, Indonesia, Algeria, and East Europe

### III. ANTIAIRCRAFT

ZU-23

Type: 23 mm twin antiaircraft gun mounted on

a towed, two-wheel chassis

Range: 8,200 yards horizontal; 19,000 feet vertical;

6,600 feet effective antiaircraft range

Rate of fire: 60 rounds per minute per gun

Muzzle velocity: 3,050

Weight: 2,060 lbs. overall

Remarks: the ZU-23 is a dual-purpose weapon suit-

able for AA use as well as direct-fire ground use against personnel and light armor; it is standard issue in the USSR and has been delivered to several other

countries

## IV. MEDIUM RANGE BALLISTIC MISSILES

Shyster (SS-3)

Type: single stage MRBM employing radio-iner-

tial guidance and nonstorable liquid pro-

pellant

Range: 630 n.m.

Warhead: 2,700 lbs. nuclear (conventional possible)

Accuracy: 1.0 to 1.75 n.m. CEP

Refire time: 2 to 5 hours

Remarks: the SS-3 is now obsolete; it has never been

deployed outside the USSR

Sandal (SS-4)

Type: single stage MRBM employing inertial

guidance and storable liquid propellant

Range: 1,020 n.m.

Warhead: 1,900-2,500 lbs. nuclear (conventional pos-

sible)

Accuracy: 1.25 n.m. CEP Refire time: 2 to 4 hours

Remarks: the SS-4 is deployed in both soft and hard sites, primarily in the European USSR; a much larger conventional warhead could be delivered to shorter ranges (e.g., 4,000 lbs. to about 800 n.m.); this system was deployed to Cuba and withdrawn in 1962

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XIII

North Vietnamese Political Capabilities in the Non-Communist World

XIII

# NORTH VIETNAMESE POLITICAL CAPABILITIES IN THE NON-COMMUNIST WORLD

#### Summary

The North Vietnamese expend a great amount of effort attempting to encourage among non-Communist nations support for their cause and opposition to US actions in Vietnam. To this end, Hanoi invites sympathetic foreigners to North Vietnam, sends high-powered delegations to leftist front meetings, and provides "documentary" evidence to interested parties showing US "atrocities." The major channel through which Hanoi pumps its propaganda to each non-Communist country is provided by the local Communist party. Wherever possible, of course, influential newsmen are used by the North Vietnamese to carry their story to the firee world.

The North Vietnamese, however, are hampered by several factors in their effort to elicit such support. One inhibiting factor is the paucity of permanent North Vietnamese representation in the non-Communist world. Another is the fact that Hanoi's policy toward negotiations has been far too inflexible to stimulate much support. Even its Soviet bloc allies have found it difficult to argue North Vietnam's case on negotiations persuasively. On balance, it appears that Hanoi's cause is best served in the non-Communist world not by the sympathy it has been able to generate but by the fact that many non-Communist nations, fearing the war will grow larger, apply pressure on the US to bring the war to a close.

### The Hanoi Apparatus

- 1. Hanoi's own ability to get its message on the war across in the non-Communist world is extremely limited. The North Vietnamese diplomatic and governmental apparatus abroad is quite small, comprising in the free world around 150 officials in 15 countries. In addition, the North Vietnamese control the operations of some 25 National Liberation Front representatives in many of the same countries. Hanoi also holds membership in a small number of Communist front groups in the free world through which leftist elements can be contacted and printed propaganda disseminated.
- 2. The North Vietnamese are also able to promote their cause by inviting sympathetic foreigners--particularly from the US and its allies--to the DRV, where they are given guided tours designed to provide them with "hard evidence" of US "war crimes" which they can publicize on their return home. In addition, Hanoi devotes a significant amount of its limited resources to radio propaganda broadcasts which are beamed to audiences in Southeast Asia. The number of listeners, however, is believed to be fairly limited.
- 3. Aside from their own foreign apparatus, the North Vietnamese profit from the propaganda efforts in the free world of the other bloc countries, mainly the Soviet Union and China, which basically complement Hanoi's own line on the situation in Vietnam. The North Vietnamese political capability in the free world, however, is confined mainly to propaganda dissemination, for Hanoi has virtually no political or economic leverage which it can exert on any country outside Southeast Asia.
- 4. Probably the strongest "bonus" factor which the North Vietnamese have working for them in the free world is the concern which has developed over the course of US policy in Vietnam. This has been stimulated by factors completely apart from North Vietnamese political operations abroad. Involved are such things as revulsion over the destructiveness of the war and fear over a possible widening of the hostilities. The

North Vietnamese have naturally sought to exploit these concerns, but it is impossible to measure the effectiveness of their efforts.

#### Importance of Various DRV Foreign Posts

- 5. Not all of the North Vietnamese representatives are equally active in promoting and publicizing Hanoi's policies abroad. Among Hanoi's diplomats currently most active are those in New Delhi and Cairo. Both of these representatives frequently call press conferences, maintain active contact with foreign office officials of the host government, and actively seek out local press interviews.
- 6. In India, the DRV representatives have apparently sought to work partly through the rival Indian Communist factions, both of which view the Vietnam issue as a useful lever for their own purposes in domestic politics. In the UAR, the press has given wide coverage to the war, almost always biased in favor of Hanoi's position. However, efforts by the leftist organizations to stir up support for Hanoi by mounting public rallies have not aroused much enthusiasm.

### Africa

- 7. Algeria provides one of the widest and most sympathetic audiences for the DRV in Africa. The Algerian press regularly features articles favorable to Hanoi's position and the government permits and encourages anti-US demonstrations. The DRV representative in Algiers formerly sought extensive public exposure, but with the Algerian coup and the simultaneous replacement of the DRV ambassador in mid-1966, activity at this post has declined.
- 8. In general, North Vietnam's ability to obtain a ready hearing on the African continent is limited to a greater degree than is generally appreciated. The North Vietnamese maintain a diplomatic presence in only five African countries: Algeria, Guinea, Mali, Tanzania, and Congo (Brazzaville). With the exception of these countries,

the receptivity of the remaining African states to the DRV position on the war is marginal at best. Their attitude ranges from almost complete indifference to an ill-defined general reluctance to become embroiled in what they consider to be a "big-power" conflict.

9. To a large extent, the impact of the DRV's position depends upon the stratum of society which is addressed. Among the educated elite in Africa, for example, the Tunisian weekly Jeune Afrique probably does as much to influence attitudes as anything else. The paper, published in Paris and probably subsidized by the French, is highly critical of the US and gives considerable coverage to the North Vietnamese position.

### France and Western Europe

- 10. One of the most effective diplomatic assets Hanoi has anywhere in the world is its representative in Paris, Mai Van Bo. France is the only major free world power in which the DRV has representation, and although Mai Van Bo has only quasi-diplomatic status, he apparently has easy access to French Foreign Ministry officials and commands extensive publicity from an interested and sympathetic press. Bo has at times been chosen by the DRV Government to make the first announcement of important official statements, particularly on the subject of a negotiated settlement of the war or DRV relations with the US.
- 11. The January 1967 DRV offer to talk with US officials in exchange for a cessation of the bombings, for example, was first discussed by Mai Van Bo in a press interview some three weeks before it was officially announced as DRV policy by the foreign minister.

The French Communists, who have relatively good relations with Hanoi, have carried on a campaign to drum up support for the DRV, but the response to such appeals has been apathetic and unimpressive--even though public opinion polls indicate

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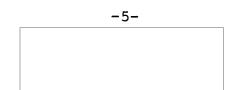
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that the average Frenchman believes the US to be principally responsible for the war.

12. Although the DRV maintains a press representative in Great Britain, it is doubtful that his efforts have been anything more than marginal in affecting British public opinion, which is not so much receptive to the Hanoi line as it is uneasy about the danger of a major expansion of the war.

## Southeast Asia and the Far East

- The most important of the DRV posts in Southeast Asia at the present time is located in The Sihanouk regime has given quasidiplomatic status to Hanoi's representative. Both the DRV and local National Liberation Front officials are quite active within the Cambodian Vietnamese community and through them probably have contacts with the local left. Although Hanoi's use of Cambodian territory for refuge and resupply in the Vietnamese war would seem to offer possibilities for exerting political leverage on Sihanouk to support Vietnamese Communist policy, it appears that Hanol is extremely circumspect in this regard, preferring instead to take advantage of Cambodian antagonism toward US Asian policy generally in pushing North Vietnamese interests.
- 14. A similar situation exists in Laos, where North Vietnam, by virtue of geographic contiguity, also has the potential for considerable leverage with the Royal Laotian Government. Vientiane, nonetheless, has remained reasonably sympathetic to allied policy interests. The DRV diplomatic establishment in Vientiane, in fact, seems relatively inactive in the propaganda field.
- 15. Formerly, the North Vietnamese and the Liberation Front were quite active among government elements in Indonesia. This situation changed, however, with the anti-Communist uprising there and the subsequent cooling in Hanoi's relations with the Indonesians. Although the Vietnamese Communists remain in contact with some official elements, they do not appear to be active among Indonesian leftist groups.

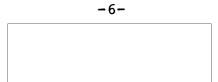


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16. The DRV has no representation in Japan, but Japanese leftists have been of considerable assistance in facilitating Hanoi's contacts with business and communication sectors in Japan. The Japanese Communist Party has also worked closely with Hanoi to help build up Japanese support for the Bertrand Russell war crimes tribunal.

## The Western Hemisphere

The DRV has no representation in Latin America and the public remains largely indifferent to the Vietnam war. Most politicians have avoided taking a public stand on the issue in order to prevent local Communists from exploiting the question against the government. Cuba, of course, represents a special case and, partly through the efforts of the local Vietnamese Communist representatives, the DRV's views are given wide dissemination. The Canadian public is greatly interested in the course of the war, but it is more a case of heavy press coverage than any particular receptivity to the North Vietnamese position. The Canadian Government, however, remains somewhat sensitive to North Vietnam views, since it wishes to preserve a possible mediatory role for Canadian ICC representatives in North Vietnam.



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XIV

Implications of the Vietnam War for the US International Position

XIV

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# IMPLICATIONS OF THE VIETNAM WAR FOR THE US INTERNATIONAL POSITION

#### INTRODUCTION

- 1. The US international position with respect to the Vietnam war is unique in modern American experience. Not within memory have we been so heavily engaged with so few active allies and so much strong criticism, both at home and abroad. Because so much of the world considers itself affected, or likely to be affected if the war is prolonged and intensified, developments affecting the war have become a major concern of many friendly nations. Moreover, because of the world role of the US as the strongest and leading power of the non-Communist world, the way in which the war is conducted and terminated is widely felt to involve great significance for the future of the free world itself.
- There was indeed bound to be a certain ambivalence in the attitudes of others toward any policy which the US chose to follow in Vietnam. the abstract, there was certain to be support for the idea of protecting small nations from aggression and an accompanying fear that this might lead to an uncontrolled and dangerous conflict. In any case of big power intervention there will always be those who applaud and those who object. If US intervention had been brief and quickly decisive, much of this ambivalence would have dissolved. The objectors would have been routed by success and the fears of the sympathetic dissipated. The US problem has arisen largely because the conflict has been prolonged and success appears dubious, at least by means considered acceptable in many parts of the world. This has removed much of the world's approach to the problem from the abstract to the specific. It is no longer for many foreign observers and governments a question of principle, but a specific case to be examined on its merits.

### Current Attitudes and Policies

- 3. Western Europe. Generally speaking, articulate opinion in Europe actively disapproves US intervention in Vietnam and US military strategy in Vietnam. With certain exceptions (Spain and Portugal and, to some extent, West Germany), it is an almost universal view that the US has blundered in the fact and the extent of its involvement. Moreover, among intellectuals, youth, and organized labor there is a strong moral revulsion against the bombing policy and against what has come to be thought of as the US objective, namely, to impose a puppet militaristic regime upon a people trying to establish their own national identity.
- These views contrast strongly with the official policy of most governments, one which might be described as support for our general objectives and sympathy for the problems and difficulties we have encountered. But even the governments which quite honestly make these pronouncements of support often maintain grave reserve about the wisdom and content of our policy. This reserve is not often expressed to US representatives, but it nevertheless exists. It seems to have deepened during the past several months -- in contrast to most of 1966, when our military progress was noticeable, our willingness to negotiate accepted at face value, and the recalcitrance of our enemy easy for all to see. But with intensification of the bombing campaign, an apparent slowdown in military progress on the ground, and a growing suspicion about the actual US willingness to negotiate, the misgivings of government leaders have intensified.
- 5. These misgivings have not reached critical proportions, nor do they seem likely to do so short of major intensification of the war. But Socialists in the governments of Britain, Italy, and Scandinavia would have great difficulties -- and some cases might fail -- in holding the support of their parliamentary contingents and local organizations if certain types of military escalation occurred or if it appeared that the US was refusing what they considered to be reasonable terms for a political settlement.

- 6. A special situation exists in West Germany where the general principle -- US readiness to honor a commitment -- has more meaning than the specifics of the individual case. The Germans are also somewhat less troubled by the moral issue involved in the bombing. But there is some dismay over what appears to be a reduced importance attached to Europe in American calculations and over what appears to them as a military miscalculation, namely, the belief that we can win a struggle under the conditions in which we might fight.
- In Europe generally there has been a consequent decline in US prestige and a growth in anti-Americanism. To some degree this anti-Americanism is a normal reaction to the discomfiture of a great power, all the more because the Europeans have not enjoyed their past dependence upon it. But it is primarily the consequence of the widespread apprehensions over the wisdom of US policy and the morality of US military policy. The US is believed to have become involved in something it cannot bring to a satisfactory end, to have been successfully defied by a small country, and to have been caught up in a militaristic approach not justified by or appropriate to the problem. This has been of very considerable help to the USSR. In the context of the present phase of Soviet policy, in which the USSR has sought to project itself as flexible and moderate, there has been some reversal of images; the US now appears less charitable and more self-righteous, while the USSR appears more peace-loving and less intransigent than in the post-war period.
- 8. The specific effects of this reduced prestige are difficult to measure. The preeminence which the US enjoyed in Europe was on the decline in any case, for a variety of reasons. What the US involvement in Vietnam has done is to accelerate the process and to provide additional talking points to those who have wished to reduce the US role. US involvement has reminded the Europeans, especially the West Germans, that the US has other problems besides Europe in which it is interested, and this has encouraged Europeans to take more things into their own hands. This in turn has made De Gaulle's

policies more palatable and contributed to our difficulties with the Kennedy Round, the NPT, and proposals regarding international liquidity. Without the Vietnam war and with the time and opportunity to develop a new atmosphere for treating with European security and international economic relations, we might have been able to cope more readily with our problems in Europe, but one cannot be certain. What is clear is that the war has complicated the already difficult problem of exercising the kind of US leadership which the free world and the Europeans would like to have.

- Asia. The Far Eastern and South Asian countries constitute a special case because of the significance and future impact of the Vietnam conflict upon power relationships in the area. Australians and New Zealanders, of course, would like to block Communist expansion and believe it in their national interest to provide political and military support to the US. Our other allies feel the same way, notably the Thais and South Koreans. Even the countries not allied with us wish to block Communist expansion and wish to see the US effort succeed, but some have been cautious; they do not wish to be in an exposed position in case of a compromise political settlement. Though a number of Indian and Pakistani leaders have privately expressed sympathy for US efforts in Vietnam, sentiment in both governments is against US action -particularly the bombing of North Vietnam. However, both countries are heavily dependent on US economic aid, and this circumstance moderates criticism, as does India's fear of China.
- Japan has certainly felt more comfortable in the vicinity of its Communist neighbors with the visible US military presence in the Far East. But Japan still has a large and vocal neutralist and anti-American minority, and the government is concerned that a prolonged war in Vietnam would be exploited by these groups to complicate seriously negotiations with the US for renewal of the security treaty in the late 1960's. The government has been active in seeking a political settlement of the war and would be worried and upset if the war were

intensified or broadened. It hopes for an early settlement that would limit the prospects for further Communist advances in Southeast Asia.

Other Areas. Most Latin American, African, and Near Eastern countries have problems of their own and simply do not feel that Vietnam is related to their concerns. Most would like the war over with; many feel that the US has lost interest in them or, in Latin America especially, takes them for granted. Those with useful bilateral relations with the US want to avoid endangering those relations by criticizing the US. Those with poor relations with the US -- and these are largely the more radical of the new, post-colonial regimes -- feel free to vent their criticisms of the US. Many of these countries have a natural disposition to dislike or fear large advanced nations which deploy their power against other small former dependencies. How much this has hurt US policy in a specific sense is difficult to judge. The Vietnam war has probably added to the deterioration of relations with those who are antagonistic anyway; for the others, while they are doubtful and uncomfortable, it has not in itself provided the occasion for attacks upon US policies.

# Future Problems and Implications

- 12. A great deal of the loss to US prestige and much of the legacy of opposition to US policy would probably be dissipated by an early termination of the war. There would be general satisfaction that the conflict was ended, especially if it came to an end in a fashion which preserved the integrity of both South and North Vietnam. As time went on and the world became interested in other things, even those who have been especially bitter critics of US policy would find fewer and fewer listeners.
- 13. Nevertheless, there would remain certain residues which could not easily be overcome. These would be of two types. The first would be in terms of the respect accorded US leadership. Especially in Europe, something has been lost which will take time to recover; because of the widespread belief, even among those who support us, that the US has

blundered and refuses to recognize its blunder, the US will have greater difficulties in procuring support for its policies. On European questions US leadership will particularly suffer, since it is now widely suspected that the US is not really interested in Western Europe anyway and is prepared to sacrifice European interests to broader considerations of US interest. A longer-lasting damage to US influence would come from disillusionment, especially among European intellectuals and youth, with US morality. European youth is preoccupied with questions of political morality and has the time and the disposition to worry about the bombing and about the correctness of the US intervention. Rightly or wrongly, it has been highly critical of both, and this will plague us for many years to come.

- The longer the war lasts, the more intractable our problems will become. Some of these will be related to the conduct of the war itself. Considering the depth of feeling expressed by opponents of the war and reservations maintained by those who support US policy, it is important to recognize that the tolerance of our friends is not There is little doubt that the US could unlimited. make some increases in the level of military action in Vietnam without suffering serious and immediate damage to its international position, and it is impossible to judge precisely what would precipitate such damage. Certain steps, such as the use of nuclear weapons, would of course do so. So might also an accumulation of minor escalations. would be a number of specific actions which might, but would not necessarily, push some nations over the edge toward open disavowal of US actions. include not only conceivable steps in military escalation, but circumstances surrounding efforts to achieve a political solution.
- of events while the conflict is in progress, much will depend upon its outcome. A long and intense conflict would intensify fears of Chinese involvement, would be widely regretted, and would bring heavy and direct criticism upon the United States, including criticism from new quarters. But if the outcome were

such as to encourage people to believe that East Asia had been stabilized and Communist expansion blocked, many people and most Asians would conclude that the effort had been justified.

On the other hand, if finally the US terminated the conflict on terms which clearly constituted an abandonment of its objectives, the US would suffer very serious losses of prestige. the US withdrew from South Vietnam on the basis of an ambiguous solution, the reaction would be mixed; in Europe there would be approval that the US had found a "face-saving" way out, but in Asia there would be much apprehension and a considerable loss of respect for the US. The final Asian reaction would depend fundamentally upon what followed in terms of the actual relations of power in Asia. the Communists were able to utilize the solution to obtain a dominant influence in the neighboring states of the area, the US position in Asia proper would be severely strained, if not permanently It should be recognized, however, that damaged. events in China, actions taken by the US to shore up other countries, and the capacities and interests of the threatened states would also play important roles in the ultimate outcome.

In sum, the problem presented to the US is not only the immediate one of dealing with responses to particular phases in the military conflict and its political surroundings, but with the less immediate and less concrete effects upon the future US role in the world and the fortunes of itsfriends abroad. Nearly all international actions invoke support in some quarters and opposition in others. In this case the principle underlying the US action has become submerged by ambiguities and doubts regarding the wisdom and correctness of the specific action. Some damage to the US has already been done. How much more damage will occur and how much is recoverable will depend upon how long the war lasts, how we fight it, and how it comes to an end.

# **Top Secret**

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